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ABSTRACT

This document provides the text of Senate bill S. 373, reauthorizing the program of finance assistance to meet the special education needs of children of low-income families, children of migrant parents, Indian children, and handicapped, neglected, and delinquent children. Allocations and program requirements for the following types of programs are described: (1) basic programs operated by local education agencies; (2) programs for secondary school basic skills improvement and for school dropout prevention; and (3) programs operated by state agencies. Title I, Chapter 2 of S. 373 reauthorizes Chapter 2 of the Education Consolidation and Improvement Act of 1981, which funds state, local and national programs for elementary and secondary education improvement, through fiscal year 1993. Title II authorizes the following special programs for innovation in education: (1) Even Start Act; (2) Effective Schools Programs; (3) Women's Educational Equity Act; (4) Jacob K. Javits Gifted and Talented Students Education Act of 1987; (5) Family-School Partnership Act; (6) Allen J. Ellender Fellowship Program; (7) Territorial Assistance Programs; (8) Parental Choice Open Enrollment Demonstration Program in Public Schools; (9) Rural Education Opportunities; and (10) Secretary's Fund for Innovation in Education. Title III authorizes magnet schools assistance. Title IV approves the Impact Aid Reauthorization Act of 1987. Title V approves the Adult Education Reauthorization Act of 1987. Title VI approves the Education for Economic Security Act of 1987. Title VII approves the Bilingual Education Act. Title VIII approves the School Dropout Demonstration Assistance Act of 1987. Title IX approves the National Assessment of Educational Progress Improvement Act. Title X authorizes education programs for native Hawaiians. Title XI determines general provisions. (BJV)

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II

Calendar No. 442

100TH CONGRESS
1ST SESSION

S. 373

[Report No. 100–222]

To reauthorize the program of finance assistance to meet special educational needs of disadvantaged children, and to reauthorize chapter 2 of the Education Consolidation and Improvement Act of 1981, through fiscal year 1993.

IN THE SENATE OF THE UNITED STATES

JANUARY 21 (legislative day, JANUARY 20), 1987

Mr. PELL (for himself, Mr. STAFFORD, Mr. WILSON, Mr. METZENBAUM, Mr. HATCH, Mr. MATSUNAGA, Mr. QUAYLE, Mr. DODD, Mr. THURMOND, Mr. SIMON, Mr. WEICKER, Ms. MIKULSKI, Mr. PRESSLER, Mr. BURDICK, Mr. KENNEDY, Mr. ADAMS, Mr. HARKIN, Mr. COCHRAN, and Mr. DURENBERGER) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

NOVEMBER 19, 1987

Reported by Mr. KENNEDY, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To reauthorize the program of finance assistance to meet special educational needs of disadvantaged children, and to reauthorize chapter 2 of the Education Consolidation and Improvement Act of 1981, through fiscal year 1993.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

UD026025

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~~SHORT TITLE~~

~~SECTION 1. This Act may be cited as the "Elementary and Secondary Education Amendments of 1987".~~

~~PROGRAM OF FINANCE ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF DISADVANTAGED CHILDREN~~

~~SEC. 2. (a) DECLARATION OF POLICY.—Section 101 of the Elementary and Secondary Education Act of 1965 (hereafter in this Act referred to as the "Act") is amended to read as follows:~~

~~"DECLARATION OF POLICY~~

~~"SEC. 101. The Congress declares it to be the policy of the United States to continue to provide financial assistance to State and local educational agencies to meet the special needs of educationally deprived children, on the basis of entitlements calculated under title I of the Elementary and Secondary Education Act of 1965, but to do so in a manner which will eliminate burdensome, unnecessary, and unproductive paperwork and free the schools of unnecessary Federal supervision, direction, and control. Further, the Congress recognizes the special educational needs of children of low-income families, and that concentrations of such children in local educational agencies adversely affect their ability to provide educational programs which will meet the needs of such children. The Congress also finds that Federal assistance for this purpose will be more effective if education officials, principals, teachers, and supporting personnel are freed~~

~~from overly prescriptive regulations and administrative burdens which are not necessary for fiscal accountability and make no contribution to the instructional program.".~~

~~(b) DURATION OF ASSISTANCE.—Section 102 of the Act is amended to read as follows:~~

~~"DURATION OF ASSISTANCE~~

~~"SEC. 102. During the period beginning October 1, 1987, and ending September 30, 1993, the Secretary shall, in accordance with the provisions of this title, make payments to State educational agencies for grants made on the basis of entitlements created under this title and calculated in accordance with provisions of this title.".~~

~~(c) APPLICABILITY AND NONAPPLICABILITY OF CERTAIN PROVISIONS OF TITLE I.—Title I of the Act is amended by adding after section 102 the following new section:~~

~~"APPLICABILITY OF TITLE I PROVISIONS OF LAW~~

~~"SEC. 103. (a) PROGRAM ELIGIBILITY.—Except as otherwise provided in this title, the Secretary shall, for the period beginning October 1, 1987 and ending September 30, 1993, make payments based upon the amount of, and eligibility for, grants as determined under the following provisions of this title in effect on September 30, 1982:~~

~~"(1) Part A—'Programs Operated by Local Education Agencies':~~

~~"(A) Subpart 1—'Basic Grants'; and~~

~~"(B) Subpart 2—'Special Grants'.~~

~~"(2) Part B—'Programs Operated by State Agencies':~~

~~"(A) Subpart 1—'Programs for Migratory Children';~~

~~"(B) Subpart 2—'Programs for Handicapped Children';~~

~~"(C) Subpart 3—'Programs for Neglected and Delinquent Children'; and~~

~~"(D) Subpart 4—'General Provisions for State Operated Programs'.~~

~~"(b) ADMINISTRATIVE PROVISIONS.—The Secretary, in making the payments and determinations specified in subsection (a), shall, for the period beginning October 1, 1987 and ending September 30, 1993, continue to use the following provisions of this title:~~

~~"(1) Part E—'Payments':~~

~~"(A) Section 191—'Payment Methods';~~

~~"(B) Section 192—'Amount of Payments to Local Educational Agencies';~~

~~"(C) Section 193—'Adjustments Where Necessitated by Appropriations'; and~~

~~"(D) Section 194—'Payments for State Administration', subject to subsection (d) of this section.~~

~~"(2) Part F—'General Provisions':~~

~~"(A) Section 197—'Limitation on Grants to Puerto Rico'; and~~

~~"(B) Section 198—'Definitions' and conforming amendments to other Acts, except that only those definitions applicable to this subtitle shall be used.~~

~~"(c) NONAPPLICABILITY RULE.—The provisions of this title which are not specifically made applicable by this section shall not be applicable to programs authorized under this title, for the period beginning October 1, 1987 and ending September 30, 1993.".~~

~~(d) TRANSFER OF CHAPTER 1 PROVISIONS APPLICABLE TO TITLE I PROGRAMS.—Title I of the Act is amended by adding after section 103 (as added by subsection (c)) the following new sections:~~

~~"AUTHORIZED PROGRAMS~~

~~"SEC. 104. (a) GENERAL.—Each State and local educational agency shall use the payments under this title for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of educationally deprived children.~~

~~"(b) PROGRAM DESIGN.—State agency programs shall be designed to serve migratory children of migratory agricultural workers or of migratory fishermen, handicapped children, and neglected and delinquent children (as described in~~

~~subparts 1, 2, and 3, respectively, of part B of this title in accordance with section 103(a)(2) and the other applicable requirements of this title. The Secretary shall continue to use the definitions of 'agricultural activity', 'currently migratory child', and 'fishing activity' which were in effect on June 30, 1982, in regulations prescribed under subpart 1 of part B of this title. No additional definition of 'migratory agricultural worker' or 'migratory fisherman' may be applied after the date of enactment of this subsection to such subpart 1, except that such definition shall be modified to include children of migratory fishermen, if such children reside in a school district of more than 18,000 square miles and migrate a distance of 20 miles or more to temporary residences to engage in fishing activity.~~

~~"(c) Program Description.—A local education agency may use funds received under this title only for programs and projects which are designed to meet the special educational needs of educationally deprived children identified in accordance with section 105(b)(2), and which are included in an application for assistance approved by the State educational agency. Such programs and projects may include the acquisition of equipment and instructional materials, employment of special instructional and counseling and guidance personnel, employment and training of teacher aides, payments to teachers of amounts in excess of regular salary~~

~~schedules as a bonus for service in schools serving project areas, the training of teachers, the construction, where necessary, of school facilities, other expenditures authorized under this title as in effect September 30, 1982, and planning for such programs and projects.~~

~~"(d) Records and Information.—Each State educational agency shall keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this title).~~

~~"(e) Evaluation.—Each State educational agency shall—~~

~~"(1) conduct an evaluation of the programs assisted under this title at least every two years and shall make public the results of that evaluation; and~~

~~"(2) collect data on the race, age, and gender of children served by the programs assisted under this title and on the number of children served by grade-level under the programs assisted under this title.~~

~~"APPROVAL OF APPLICATIONS~~

~~"Sec. 105. (a) Application by Local Educational Agency.—A local educational agency may receive a grant under this title for any fiscal year if it has on file with the State educational agency an application which describes the programs and projects to be conducted with such assistance for a period of not more than three years, and such~~

~~application has been approved by the State educational agency.~~

~~“(b) APPLICATION ASSURANCES.—The application described in subsection (a) shall be approved if it provides assurances satisfactory to the State educational agency that the local educational agency will keep such records and provide such information to the State educational agency as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the State agency under this title), and that the programs and projects described—~~

~~“(1)(A) are conducted in attendance areas of such agency having the highest concentrations of low-income children; or~~

~~“(B) are located in all attendance areas of an agency which has a uniformly high concentration of such children;~~

~~“(2) are based upon an annual assessment of educational needs which identifies educationally deprived children in all eligible attendance areas, requires, among the educationally deprived children selected, the inclusion of those children who have the greatest need for special assistance, and determines the needs of participating children with sufficient specificity to ensure concentration on those needs;~~

~~"(3) are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting the special educational needs of the children being served and are designed and implemented in consultation with parents and teachers of such children;~~

~~"(4) will be evaluated in terms of their effectiveness in achieving the goals set for them, and that such evaluations shall include objective measurements of educational achievement in basic skills and a determination of whether improved performance is sustained over a period of more than one year, and that the results of such evaluation will be considered by such agency in the improvement of the programs and projects assisted under this title; and~~

~~"(5) make provision for services to educationally deprived children attending private elementary and secondary schools in accordance with section 106.~~

~~"(c) EXEMPTION FROM TARGETING.—The requirements of subsection (b)(1) shall not apply in the case of a local educational agency with a total enrollment of less than 1,000 children, but this subsection does not relieve such an agency from the responsibility to serve children under the assurances set forth in subsection (b)(2).~~

~~"(d) LOCAL EDUCATIONAL AGENCY DISCRETION.—Notwithstanding subsection (b)(1) of this section, a local edu-~~

~~cational agency shall have discretion to make educational decisions which are consistent with achieving the purposes of this title as set forth in this subsection, as follows:~~

~~"(1) A local educational agency may designate any school attendance area in which at least 25 per centum of the children are from low-income families as an eligible school attendance area.~~

~~"(2) A local educational agency may, with the approval of the State educational agency, designate as eligible (and serve) school attendance areas with substantially higher numbers or percentages of educationally deprived children before school attendance areas with higher concentrations of children from low-income families, but this provision shall not permit the provision of services to more school attendance areas than could otherwise be served. A State educational agency shall approve such a proposal only if the State educational agency finds that the proposal will not substantially impair the delivery of compensatory education services to educationally deprived children from low-income families in project areas served by the local educational agency.~~

~~"(3) Funds received under this title may be used for educationally deprived children who are in a school which is not located in an eligible school attendance~~

~~area when the proportion of children from low-income families in average daily attendance in such school is substantially equal to the proportion of such children in an eligible school attendance area of such agency.~~

~~"(4) If an eligible school attendance area or eligible school was so designated in accordance with subsection (b)(1)(A) in either of two preceding fiscal years, it may continue to be so designated for a single additional fiscal year even though it does not qualify in accordance with subsection (b)(1)(A).~~

~~"(5) With approval of the State educational agency, eligible school attendance areas or eligible schools which have higher proportions of children from low-income families may be skipped if they are receiving, from non-Federal funds, services of the same nature and scope as would otherwise be provided under this title, but (A) the number of children attending private elementary and secondary schools who receive services under this title shall be determined without regard to non-Federal compensatory education funds which serve eligible children in public elementary and secondary schools, and (B) children attending private elementary and secondary schools who receive assistance under this title shall be identified in accordance with this section and without regard to skipping public~~

~~school attendance areas or schools under this paragraph.~~

~~"(6) A child who, in any previous year, was identified as being in greatest need of assistance, and who continues to be educationally deprived, but who is no longer identified as being in greatest need of assistance, may participate in a program or project assisted under this title for the current year.~~

~~"(7) Educationally deprived children who begin participation in a program or project assisted under this title who, in the same school year, are transferred to a school attendance area or a school not receiving funds under this title, may continue to participate in a program or project funded under this title for the remainder of such year.~~

~~"(8) The local educational agency is not required to use funds under this title to serve educationally deprived children in greatest need of assistance if such children are receiving, from non-Federal sources, services of the same nature and scope as would otherwise be provided under this title.~~

~~"(9) In the case of any school serving an attendance area that is eligible to receive services under this title and in which not less than 75 per centum of the children are from low-income families, funds received~~

~~under this title may be used for a project designed to upgrade the entire educational program in that school in the same manner and only to the same extent as permitted under section 133(b) of this Act (but without regard to paragraph (4) of such section).~~

~~“(10) Public school personnel paid entirely by funds made available under this title may be assigned limited, rotating, supervisory duties which are assigned to similarly situated personnel who are not paid with such funds, and such duties need not be limited to classroom instruction or to the benefit of children participating in programs or projects funded under this title. Such duties may not exceed the same proportion of total time as is the case with similarly situated personnel at the same school site, or 10 per centum of the total time, whichever is less.~~

~~“(c) PARENTAL INVOLVEMENT.—For the purposes of complying the the assurances given pursuant to subsection (b)(3) with respect to consultation with parents of participating children, (1) a local educational agency shall convene annually a public meeting, to which all parents of eligible students shall be invited, to explain to parents the programs and activities provided with funds made available under this title, and (2) if parents desire further activities, the local education-~~

~~al agency may, upon request, provide reasonable support for such activities.~~

~~"PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS~~

~~"Sec. 106. (a) General Requirements.—To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency shall make provisions for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate and which meet the requirements of sections 104(c), 105(b) (1), (2), (3), and (4), and 107(b). Expenditures for educational services and arrangements pursuant to this section for educationally deprived children in private schools shall be equal (taking into account the number of children to be served and the special educational needs of such children) to expenditures for children enrolled in the public schools of the local educational agency.~~

~~"(b) Bypass Provision.—(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Secretary shall waive such requirements, and shall arrange for the provision of services to~~

~~such children through arrangements which shall be subject to the requirements of subsection (a).~~

~~“(2) If the Secretary determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Secretary shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a), upon which determination the provisions of subsection (a) shall be waived.~~

~~“(3)(A) When the Secretary arranges for services pursuant to this subsection, the Secretary shall, after consultation with the appropriate public and private school officials, pay to the provider the cost of such services, including the administrative cost of arranging for such services, from the appropriate allocation or allocations under this title.~~

~~“(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Secretary may withhold from the allocation of the affected State or local educational agency the amount the Secretary estimates would be necessary to pay the cost of such services.~~

~~“(C) Any determination by the Secretary under this section shall continue in effect until the Secretary determines~~

~~that there will no longer be any failure or inability on the part of the local educational agency to meet the requirements of subsection (a).~~

~~“(4)(A) The Secretary shall not take any final action under this subsection until the State educational agency and local educational agency affected by such action have had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or his designee to show cause why such action should not be taken.~~

~~“(B) If a State or local educational agency is dissatisfied with the Secretary's final action after a proceeding under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.~~

~~“(C) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his~~

~~previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.~~

~~"(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254, of title 28, United States Code.~~

~~"(e) Any bypass determination by the Secretary under title I of the Elementary and Secondary Education Act of 1965 prior to August 15, 1981, shall remain in effect to the extent consistent with the purposes of this section.~~

~~"GENERAL PROVISIONS~~

~~"SEC. 107. (a) MAINTENANCE OF EFFORT.—(1) Except as provided in paragraph (2), a local educational agency may receive funds under this title for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 per centum of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.~~

~~"(2) The State educational agency shall reduce the amount of the allocation of funds under this title in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of paragraph (1) by falling below 90 per centum of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.~~

~~"(3) The State educational agency may waive, for one fiscal year only, the requirements of this subsection if the State educational agency determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency.~~

~~"(b) Federal Funds To Supplement, Not Supplant Regular Non-Federal Funds.—A State educational agency or other State agency in operating its State level programs or a local educational agency may use funds received under this title only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs and projects assisted under this title, and in no case~~

~~may such funds be so used as to supplant such funds from such non-Federal sources. In order to demonstrate compliance with this subsection no State educational agency, other State agency, or local educational agency shall be required to provide services under this title outside the regular classroom or school program.~~

~~"(c) Comparability of Services.—(1) A local educational agency may receive funds under this chapter only if State and local funds will be used in the district of such agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this title. Where all school attendance areas in the district of the agency are designated as project areas, the agency may receive such funds only if State and local funds are used to provide services which, taken as a whole, are substantially comparable in each project area.~~

~~"(2) A local educational agency shall be deemed to have met the requirements of paragraph (1) if it has filed with the State educational agency a written assurance that it has established—~~

~~"(A) a districtwide salary schedule;~~

~~"(B) a policy to ensure equivalence among schools in teachers, administrators, and auxiliary personnel; and~~

~~"(C) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.~~

~~Unpredictable changes in student enrollment or personnel assignments which occur after the beginning of a school year shall not be included as a factor in determining comparability of services.~~

~~"(d) EXCLUSION OF SPECIAL STATE AND LOCAL PROGRAM FUNDS.—For the purposes of determining compliance with the requirements of subsections (b) and (c), a local educational agency may exclude State and local funds expended for carrying out special programs to meet the educational needs of educationally deprived children, including compensatory education for educationally deprived children (which meets the requirements of section 131(c) of this Act). For the purpose of determining compliance with the requirements of subsection (c), a local educational agency may exclude State and local funds expended for—~~

~~"(1) bilingual education for children of limited English proficiency,~~

~~"(2) special education for handicapped children or children with specific learning disabilities, and~~

~~"(3) certain State phase-in programs as described in section 131(d) of the Elementary and Secondary Education Act of 1965.~~

~~"(c) Allocation of Funds in Certain States.—Notwithstanding section 111(a)(3)(C) of this Act, in any State in which a large number of local educational agencies overlap county boundaries, the State educational agency is authorized to make allocations of basic grants and special incentive grants directly to local educational agencies without regard to counties, if such allocations were made during fiscal year 1982, except that (1) precisely the same factors are used to determine the amount of such grants to counties, and (2) a local educational agency dissatisfied with such determination is afforded an opportunity for a hearing on the matter by the State educational agency.~~

~~"APPLICATION OF OTHER LAWS~~

~~"Sec. 108. (a) General Rule.—Except as otherwise specifically provided by this section, the General Education Provisions Act shall apply to the programs authorized by this title.~~

~~"(b) Supersession Rule.—The following provisions of the General Education Provisions Act shall be superseded by the provisions specified in this subsection with respect to the programs authorized by this title:~~

~~"(1) Section 408(a)(1) of the General Education Provisions Act is superseded by section 591(a) of the Education Consolidation and Improvement Act of 1981.~~

~~"(2) Section 426(a) of such Act is superseded by section 591(b) of the Education Consolidation and Improvement Act of 1981.~~

~~"(3) Section 427 of such Act is superseded by section 105(b)(3) of this title.~~

~~"(4) Section 430 of such Act is superseded by section 105(a) and 564(b) of this title.~~

~~"(5) Section 431A of such Act is superseded by section 107(a) of this title.~~

~~"(6) Section 453 of such Act is superseded by section 592 of the Education Consolidation and Improvement Act of 1981.~~

~~"(7) Section 455 of such Act is superseded by section 593 of the Education Consolidation and Improvement Act of 1981 with respect to judicial review of withholding of payments.~~

~~"(c) NONAPPLICABILITY RULE.—Sections 434, 435, and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to the programs authorized by this title and shall not be construed to authorize the Secretary to require any reports or take any actions not specifically authorized by this title.~~

~~(c) TECHNICAL AMENDMENT.—The heading of title I of the Act is amended to read as follows:~~

~~"TITLE I—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF DISADVANTAGED CHILDREN".~~

~~REAUTHORIZATION OF THE CONSOLIDATION PROGRAM UNDER CHAPTER 2~~

~~SEC. 3. (a) REAUTHORIZATION.—Section 562(a) of the Education Consolidation and Improvement Act of 1981 is amended by striking out "for fiscal year 1982 and each of the five succeeding fiscal years" and inserting in lieu thereof "for fiscal year 1988 and for each succeeding fiscal year ending prior to October 1, 1993".~~

~~(b) TECHNICAL AMENDMENT.—Section 552(b) of the Education Consolidation and Improvement Act of 1981 is amended by striking out "1987" and inserting in lieu thereof "1993".~~

~~REPEALER~~

~~SEC. 4. Effective September 30, 1987, chapter 1 of the Education Consolidation and Improvement Act of 1981 is repealed.~~

SECTION 1. SHORT TITLE.

This Act may be cited as the "Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987".

SEC. 2. TABLE OF CONTENTS.

Page
Sec. 1. Short title *23*
Sec. 2. Table of contents *23*

TITLE I—BASIC PROGRAMS

CHAPTER 1—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN

Page
Sec. 1001. Declaration of policy and statement of purpose 32

PART A—BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

SUBPART 1—ALLOCATIONS

Sec. 1005. Basic grants 33
Sec. 1006. Grants for local educational agencies in counties with especially high concentrations of children from low-income families 45

SUBPART 2—BASIC PROGRAM REQUIREMENTS

Sec. 1011. Uses of funds 53
Sec. 1012. Applications 55
Sec. 1013. Eligible schools 57
Sec. 1014. Eligible children 62
Sec. 1015. Schoolwide projects 64
Sec. 1016. Parental involvement 69
Sec. 1017. Participation of children enrolled in private schools 74
Sec. 1018. Fiscal requirements 80
Sec. 1019. Evaluations 89
Sec. 1020. Applications by State educational agencies 91
Sec. 1021. Program improvement 93
Sec. 1022. Educational improvement plan and activities 97

PART B—PROGRAMS FOR SECONDARY SCHOOL BASIC SKILLS IMPROVEMENT AND FOR SCHOOL DROPOUT PREVENTION

Sec. 1101. Statement of purpose 100
Sec. 1102. Allocation 100
Sec. 1103. Uses of funds 101
Sec. 1104. Applications 105
Sec. 1105. Award of grants 108
Sec. 1106. Fiscal requirements 109
Sec. 1107. Evaluations and program improvement 109
Sec. 1108. Authorization of appropriations 111

PART C—PROGRAMS OPERATED BY STATE AGENCIES

SUBPART 1—PROGRAMS FOR MIGRATORY CHILDREN

Sec. 1201. Grants—entitlement and amount 111
Sec. 1202. Program requirements 114
Sec. 1203. Coordination of migrant education activities 117

SUBPART 2—PROGRAMS FOR HANDICAPPED CHILDREN

Sec. 1221. Amount and eligibility 118
Sec. 1222. Service and program applications 124
Sec. 1223. Uses of funds 126
Sec. 1224. Eligible children 128
Sec. 1225. Federal monitoring requirement 128

SUBPART 3—PROGRAMS FOR NEGLECTED AND DELINQUENT CHILDREN

Page
Sec. 1241. Amount and entitlement 129
Sec. 1242. Program requirements 130
Sec. 1243. Transition services 132
Sec. 1244. Definitions 132

SUBPART 4—GENERAL PROVISIONS FOR STATE OPERATED PROGRAMS

Sec. 1291. Reservation of funds for territories 133
Sec. 1292. Dual eligibility for programs 134

PART D—PAYMENTS

Sec. 1401. Payment methods 134
Sec. 1402. Amount of payments to local educational agencies 134
Sec. 1403. Adjustments where necessitated by appropriations 135
Sec. 1404. Payments for State administration 137
Sec. 1405. Limitation on grant to Puerto Rico 139

PART E—GENERAL PROVISIONS

SUBPART 1—FEDERAL ADMINISTRATION

Sec. 1431. Federal regulations 140
Sec. 1432. Availability of appropriations 141
Sec. 1433. Withholding of payments 142
Sec. 1434. Judicial review 143
Sec. 1435. Evaluation 144
Sec. 1436. Coordination of Federal, State, and local administration 144
Sec. 1437. Authorization of appropriations for evaluation and technical assistance 148
Sec. 1438. Application of General Education Provisions Act 148

SUBPART 2—STATE ADMINISTRATION

Sec. 1451. State regulations 150
Sec. 1452. Reecords and information 151
Sec. 1453. Assignment of personnel 152

SUBPART 3—STUDIES

Sec. 1461. National study on effect of programs on children 152
Sec. 1462. Study of fund distribution 154
Sec. 1463. Study of State operated program for handicapped children 154
Sec. 1464. Authorization of appropriations 156

SUBPART 4—DEFINITIONS

Sec. 1471. Definitions 157

SUBPART 5—MISCELLANEOUS PROVISIONS

Sec. 1491. Repeal of other acts 163
Sec. 1492. Transition provisions 163

CHAPTER 2—PROGRAMS FOR ELEMENTARY AND SECONDARY EDUCATION IMPROVEMENT

Sec. 1501. Statement of purpose 164
Sec. 1502. Authorization of appropriations; duration of assistance 166

PART A—STATE AND LOCAL PROGRAMS

Page
Sec. 1511. Allotment to States 166
Sec. 1512. State applications 167
Sec. 1513. Allocation to local educational agencies 170
Sec. 1514. Local applications 172

PART B—TARGETED ASSISTANCE FOR EDUCATIONAL IMPROVEMENT

Sec. 1531. Targeted use of funds 174
Sec. 1532. Authorized activities 177

PART C—NATIONAL PROGRAMS AND ACTIVITIES

Sec. 1561. General authority 178
Sec. 1562. National diffusion network activities 179
Sec. 1563. Inexpensive book distribution program for reading motivation .. 181
Sec. 1564. Arts in education program 183
Sec. 1565. Law-related education program 184
Sec. 1566. Blue ribbon schools program 185
Sec. 1567. Secretary's discretionary fund 187

PART D—GENERAL PROVISIONS

Sec. 1571. Maintenance of effort; Federal funds supplementary 187
Sec. 1572. Participation of children enrolled in private schools 189
Sec. 1573. Evaluations and reporting 194
Sec. 1574. Federal administration 196
Sec. 1575. Repeal of chapters 2 and 3 of the Education Consolidation and Improvement Act of 1981 196
Sec. 1576. Transition provisions 196

TITLE II—SPECIAL PROGRAMS FOR INNOVATION IN EDUCATION

PART A—EVEN START

Sec. 2001. Short title 197
Sec. 2002. Statement of purpose 197
Sec. 2003. Program authorized 197
Sec. 2004. Uses of funds 198
Sec. 2005. Eligible participants 200
Sec. 2006. Applications 201
Sec. 2007. Approval of applications; duration 202
Sec. 2008. Evaluation 204
Sec. 2009. Authorization of appropriations 205

PART B—EFFECTIVE SCHOOLS

Sec. 2051. Program authorized 205
Sec. 2052. Uses of funds 205
Sec. 2053. Effective schools 206
Sec. 2054. Authorization of appropriations 207

PART C—WOMEN'S EDUCATIONAL EQUITY

Sec. 2101. Short title; findings and statement of purpose 208
Sec. 2102. Program authorized 208

Page
Sec. 2103. Application; participation ... 211
Sec. 2104. Challenge grants ... 212
Sec. 2105. Criteria and priorities ... 213
Sec. 2106. Reports, evaluation, and dissemination ... 213
Sec. 2107. Authorization of appropriations ... 213
Sec. 2108. Repeal ... 214

PART D—GIFTED AND TALENTED CHILDREN

Sec. 2151. Short title ... 214
Sec. 2152. Findings and purposes ... 214
Sec. 2153. Definitions ... 216
Sec. 2154. Authorized programs ... 217
Sec. 2155. Program priorities ... 219
Sec. 2156. Participation of private school children and teachers ... 220
Sec. 2157. Administration ... 221
Sec. 2158. Authorization of appropriations ... 221

PART E—FAMILY-SCHOOL PARTNERSHIP

Sec. 2251. Short title ... 221
Sec. 2252. Findings and purpose ... 222
Sec. 2253. Eligible agency ... 223
Sec. 2254. Demonstration program authorized ... 223
Sec. 2255. Application ... 225
Sec. 2256. Administrative provision ... 225
Sec. 2257. Authorization of appropriations ... 226

PART F—ALLEN J. ELLENDER FELLOWSHIP PROGRAM

Sec. 2301. Findings ... 226

SUBPART 1—PROGRAM FOR SECONDARY SCHOOL STUDENTS AND TEACHERS

Sec. 2311. Establishment ... 227
Sec. 2312. Applications ... 227

SUBPART 2—PROGRAMS FOR OLDER AMERICANS AND RECENT IMMIGRANTS

Sec. 2314. Establishment ... 229
Sec. 2315. Applications ... 229

SUBPART 3—GENERAL PROVISIONS

Sec. 2331. Administrative provisions ... 230
Sec. 2332. Authorization of appropriations ... 231
Sec. 2333. Repeal ... 231

PART G—TERRITORIAL ASSISTANCE

Sec. 2351. General assistance for the Virgin Islands ... 232
Sec. 2352. Territorial teacher training assistance ... 232
Sec. 2353. Repeal ... 233

PART H—PARENTAL CHOICE OPEN ENROLLMENT DEMONSTRATION PROGRAM IN PUBLIC SCHOOLS

Sec. 2401. Findings and statement of purpose ... 233
Sec. 2402. Demonstration program authorized ... 233

Page
Sec. 2403. Use of funds 234
Sec. 2404. Application 235
Sec. 2405. Amount and duration of grants 235
Sec. 2406. Conditions and limitations 236
Sec. 2407. Evaluation 236
Sec. 2408. Authorization of appropriations 237

PART I—RURAL EDUCATIONAL OPPORTUNITIES

Sec. 2451. Program authorized 237
Sec. 2452. Priority requirements 238
Sec. 2453. Coordination and dissemination 238
Sec. 2454. Authorization of appropriations 239

PART J—SECRETARY'S FUND FOR INNOVATION IN EDUCATION

Sec. 2501. Program authorized 239
Sec. 2502. Materials for use in educational television and radio programming 240
Sec. 2503. Programs for computer-based instruction 241
Sec. 2504. Programs for the improvement of comprehensive school health education 244
Sec. 2505. Telecommunication and video instruction program 246
Sec. 2506. Youth suicide prevention programs 247
Sec. 2507. Authorization of appropriations 248

TITLE III—MAGNET SCHOOLS ASSISTANCE

PART A—MAGNET SCHOOLS TO OVERCOME RACIAL ISOLATION

Sec. 3001. Authorization of appropriations; reservation 248
Sec. 3002. Eligibility 249
Sec. 3003. Statement of purpose 250
Sec. 3004. Program authorized 250
Sec. 3005. Definition 251
Sec. 3006. Uses of funds 251
Sec. 3007. Applications and requirements 252
Sec. 3008. Special consideration 254
Sec. 3009. Prohibitions 255
Sec. 3010. Limitation on payments 255

PART B—MAGNET SCHOOLS FOR EDUCATIONAL IMPROVEMENT

Sec. 3101. Statement of purpose 256
Sec. 3102. Authorization of appropriations 256
Sec. 3103. Eligibility 257
Sec. 3104. Uses of funds 257
Sec. 3105. Applications 258

PART C—GENERAL PROVISIONS

Sec. 3211. Payments 260
Sec. 3212. Withholding 260
Sec. 3213. Repeal 260

TITLE IV—IMPACT AID PROGRAM

Sec. 4001. Short title 261

PART A—PUBLIC LAW 874

Page
Sec. 4002. Administrative amendments 261
Sec. 4003. Reauthorization 262
Sec. 4004. Federal acquisition of real property 262
Sec. 4005. Entitlements and payments 262
Sec. 4006. Method of payment 266
Sec. 4007. Children for whom local agency is unable to provide education. 277
Sec. 4008. Disaster assistance 277
Sec. 4009. Regulation requirements 278
Sec. 4010. Definition 278
Sec. 4011. Special assessment rule for Federal acquisition of real property 279

PART B—PUBLIC LAW 815

Sec. 4101. Reauthorization 279
Sec. 4102. Administrative amendments 280
Sec. 4103. Disaster assistance 280

TITLE V—ADULT AND VOCATIONAL EDUCATION

PART A—ADULT EDUCATION

Sec. 5001. Short title 281
Sec. 5002. Definitions 281
Sec. 5003. State plans 282
Sec. 5004. Payments 283
Sec. 5005. Corrections education set aside 283
Sec. 5006. Workplace literacy partnership grants 286
Sec. 5007. English literacy grants 293
Sec. 5008. Reauthorization 298
Sec. 5009. Adult education for the homeless 298
Sec. 5010. Repeal 298

PART B—VOCATIONAL EDUCATION

Sec. 5101. Technical amendment 298

TITLE VI—EDUCATION FOR ECONOMIC SECURITY

PART A—REAUTHORIZATION OF EDUCATION FOR ECONOMIC SECURITY ACT

Sec. 6001. Short title 299
Sec. 6002. Mathematics and science education reauthorized 299
Sec. 6003. Partnerships in education for mathematics, science, and engineering reauthorized 317
Sec. 6004. Presidential award for foreign language teachers 318
Sec. 6005. Star schools program authorized 319
Sec. 6006. Repeal 330

PART B—FOREIGN LANGUAGE ASSISTANCE

Sec. 6501. Short title 330
Sec. 6502. Findings 330
Sec. 6503. Program authorized 330

Page

Sec. 6504. Allotment *333*

Sec. 6505. Definitions *334*

Sec. 6506. Authorization of appropriations *335*

TITLE VII—BILINGUAL EDUCATION PROGRAMS

Sec. 7001. Short title *335*

Sec. 7002. Policy; appropriations *335*

Sec. 7003. Definitions; regulations *340*

PART A—FINANCIAL ASSISTANCE FOR BILINGUAL EDUCATION PROGRAMS

Sec. 7021. Bilingual education programs *347*

Sec. 7022. Indian children in schools *362*

PART B—DATA COLLECTION, EVALUATION, AND RESEARCH

Sec. 7031. Use of funds *364*

Sec. 7032. Grants for State programs *364*

Sec. 7033. Program evaluation requirements *367*

Sec. 7034. Evaluation assistance centers *368*

Sec. 7035. Research *369*

Sec. 7036. Coordination of research *371*

Sec. 7037. Education statistics *371*

PART C—TRAINING AND TECHNICAL ASSISTANCE

Sec. 7041. Use of funds *372*

Sec. 7042. Multifunctional resource centers *375*

Sec. 7043. Fellowships *376*

Sec. 7044. Priority *377*

Sec. 7045. Stipends *377*

PART D—ADMINISTRATION

Sec. 7051. Office of bilingual education and minority languages affairs *378*

TITLE VIII—DEMONSTRATION PROJECTS DESIGNED TO ADDRESS SCHOOL DROPOUT PROBLEMS AND TO STRENGTHEN BASIC SKILLS INSTRUCTION

PART A—ASSISTANCE TO ADDRESS SCHOOL DROPOUT PROBLEMS

Sec. 8001. Short title *381*

Sec. 8002. Purpose *381*

Sec. 8003. Authorization of appropriations *382*

Sec. 8004. Grants to local educational agencies *382*

Sec. 8005. Application *387*

Sec. 8006. Authorized activities *390*

Sec. 8007. Distribution of assistance; limitation on costs *394*

Sec. 8008. National school dropout study *394*

PART B—ASSISTANCE TO PROVIDE BASIC SKILLS IMPROVEMENT

Sec. 8101. Short title *396*

Sec. 8102. Purpose *396*

Sec. 8103. Authorization *397*

Sec. 8104. Grants to local educational agencies *397*

Page
Sec. 8105. Authorized activities 397
Sec. 8106. Application 399

PART C—GENERAL PROVISIONS

Sec. 8201. General provisions 402
Sec. 8202. Definitions 404

TITLE IX—EDUCATIONAL ASSESSMENT AND ACHIEVEMENT

PART A—NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

Sec. 9001. Short title 404
Sec. 9002. Statement of purpose 405
Sec. 9003. National assessment of educational progress 405

PART B—FUND FOR THE IMPROVEMENT AND REFORM OF SCHOOLS AND TEACHING

Sec. 9301. Short title 415
Sec. 9302. Fund for the improvement and reform of schools and teaching .. 415
Sec. 9303. Applications 417
Sec. 9304. Special grant rules 418
Sec. 9305. Administrative provisions 419
Sec. 9306. Dissemination and reporting 423
Sec. 9307. Coordination with the fund for the improvement of postsecondary education 423
Sec. 9308. Authorization of appropriations 424
Sec. 9309. Definitions 424

PART C—OPTIONAL TESTS FOR ACADEMIC EXCELLENCE

Sec. 9501. Optional tests for academic excellence 425
Sec. 9502. Availability of funds 427

TITLE X—EDUCATION FOR NATIVE HAWAIIANS

Sec. 10001. Findings 427
Sec. 10002. Purpose 429
Sec. 10003. Native Hawaiian model curriculum implementation project 430
Sec. 10004. Native Hawaiian family based education centers 431
Sec. 10005. Native Hawaiian higher education demonstration program 432
Sec. 10006. Native Hawaiian gifted and talented demonstration program .. 434
Sec. 10007. Native Hawaiian special education program 436
Sec. 10008. Administrative provisions 437
Sec. 10009. Definitions 437

TITLE XI—GENERAL PROVISIONS

Sec. 11001. Definitions 439
Sec. 11002. Budget Act provision 439
Sec. 11003. Effective date 440

TITLE I—BASIC PROGRAMS

CHAPTER 1—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN

SEC. 1001. DECLARATION OF POLICY AND STATEMENT OF PURPOSE.

(a) DECLARATION OF POLICY.—In recognition of—

(1) the special educational needs of children of low-income families and the impact of concentrations of low-income families on the ability of local educational agencies to provide educational programs which meet such needs, and

(2) the special educational needs of children of migrant parents, of Indian children, and of handicapped, neglected, and delinquent children,

the Congress declares it to be the policy of the United States to—

(A) provide financial assistance to State and local educational agencies to meet the special needs of such educationally deprived children at the preschool, elementary, and secondary levels;

(B) expand the program authorized by this chapter over the next 5 years to increase the percentage of eligible children served in each fiscal year until all eligible children are served by fiscal year 1993; and

(C) provide such assistance in a way which eliminates unnecessary administrative burden and paperwork and overly prescriptive regulations and provides flexibility to State and local educational agencies in making educational decisions.

(b) STATEMENT OF PURPOSE.—The purpose of assistance under this chapter is to improve the educational opportunities of educationally deprived children by helping such children succeed in the regular program of the local educational agency, attain grade-level proficiency, and improve achievement in basic and more advanced skills. These purposes shall be accomplished through such means as supplemental education programs, schoolwide programs, and the increased involvement of parents in their children's education.

PART A—BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

Subpart 1—Allocations

SEC. 1005. BASIC GRANTS.

(a) AMOUNT OF GRANTS.—

(1) GRANTS FOR TERRITORIES.—There is authorized to be appropriated for each fiscal year for the purpose of this paragraph 1 percent of the amount appropriated for such year for payments to States under part D (other than payments under such part to jurisdictions excluded from the term "State" by this subsec-

tion, and payments pursuant to section 1291). The amount appropriated pursuant to this paragraph shall be allotted by the Secretary (A) among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for grants under this part, and (B) to the Secretary of the Interior in the amount necessary (i) to make payments pursuant to paragraph (1) of subsection (d), and (ii) to make payments pursuant to paragraph (2) of subsection (d). The grant which a local educational agency in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands is eligible to receive shall be determined pursuant to such criteria as the Secretary determines will best carry out the purposes of this chapter.

(2) GRANTS FOR LOCAL EDUCATIONAL AGENCIES AND PUERTO RICO.—

(A) In any case in which the Secretary determines that satisfactory data for that purpose are available, the grant which a local educational agency in a State is eligible to receive under this subpart for a fiscal year shall (except as provided in paragraph (3)), be determined by multiplying the number of children counted under subsection

(c) by 40 percent of the amount determined under the next sentence. The amount determined under this sentence shall be the average per pupil expenditure in the State except that (i) if the average per pupil expenditure in the State is less than 80 percent of the average per pupil expenditure in the United States, such amount shall be 80 percent of the average per pupil expenditure in the United States, or (ii) if the average per pupil expenditure in the State is more than 120 percent of the average per pupil expenditure in the United States, such amount shall be 120 percent of the average per pupil expenditure in the United States.

(B) In any case in which such data are not available, subject to paragraph (3), the grant for any local educational agency in a State shall be determined on the basis of the aggregate amount of such grants for all such agencies in the county or counties in which the school district of the particular agency is located, which aggregate amount shall be equal to the aggregate amount determined under subparagraph (A) for such county or counties, and shall be allocated among those agencies upon such equitable basis as may be determined

by the State educational agency in accordance with the basic criteria prescribed by the Secretary.

(C) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of children counted under subsection (c) for Puerto Rico by the product of—

(i) the percentage determined under the preceding sentence and

(ii) 32 percent of the average per pupil expenditure in the United States.

(3) SPECIAL ALLOCATION PROCEDURES.—

(A) Upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children described in clause (C) of paragraph (1) of subsection (c), who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special

educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency, as determined by regulations established by the Secretary, which does assume such responsibility shall be eligible to receive such portion of the allocation.

(B) In the case of local educational agencies which serve in whole or in part the same geographical area, and in the case of a local educational agency which provides free public education for a substantial number of children who reside in the school district of another local educational agency, the State educational agency may allocate the amount of the grants for those agencies among them in such manner as it determines will best carry out the purposes of this chapter.

(C) In any State in which a large number of local educational agencies overlap county boundaries, the State educational agency may apply to the Secretary for authority during any particular fiscal year to make the allocations

under this part (other than section 1006) directly to local educational agencies without regard to the counties. If the Secretary approves an application of a State educational agency for a particular year under this subparagraph, the State educational agency shall provide assurances that such allocations will be made using precisely the same factors for determining a grant as are used under this part and that a procedure will be established through which local educational agencies dissatisfied with the determinations made by the State educational agency may appeal directly to the Secretary for a final determination.

(4) DEFINITION.—For purposes of this subsection, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—A local educational agency shall be eligible for a basic grant for a fiscal year under this subpart only if it meets the following requirements with respect to the number of children counted under subsection (c):

(1) In any case (except as provided in paragraph (3)) in which the Secretary determines that satisfactory data for the purpose of this subsection as to the

number of such children are available on a school district basis, the number of such children in the school district of such local educational agency shall be at least 10.

(2) In any other case, except as provided in paragraph (3), the number of such children in the county which includes such local educational agency's school district shall be at least 10.

(3) In any case in which a county includes a part of the school district of the local educational agency concerned and the Secretary has not determined that satisfactory data for the purpose of this subsection are available on a school district basis for all the local educational agencies or all the counties into which the school district of the local educational agency concerned extends, the eligibility requirement with respect to the number of such children for such local educational agency shall be determined in accordance with regulations prescribed by the Secretary for the purposes of this subsection.

(c) CHILDREN TO BE COUNTED.—

(1) CATEGORIES OF CHILDREN.—The number of children to be counted for purposes of this section is the aggregate of—

(A) the number of children aged 5 to 17, inclusive, in the school district of the local educational agency from families below the poverty level as determined under paragraph (2)(A), and

(B) the number of children aged 5 to 17, inclusive, in the school district of such agency living in institutions for neglected or delinquent children (other than such institutions operated by the United States) but not counted pursuant to subpart 3 of part C for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

(2) DETERMINATION OF NUMBER OF CHILDREN.—

(A) For the purposes of this section, the Secretary shall determine the number of children aged 5 to 17, inclusive, from families below the poverty level on the basis of the most recent satisfactory data available from the Department of Commerce for local educational agencies (or, if such data are not available for such agencies, for counties); and in determining the families which are below the poverty level, the Secretary shall utilize the criteria of poverty used by the Bureau

of the Census in compiling the most recent decennial census.

(B) The Secretary shall determine the number of such children and the number of children of such ages living in institutions for neglected or delinquent children, or being supported in foster homes with public funds, on the basis of the caseload data for the month of October of the preceding fiscal year or, to the extent that such data are not available to the Secretary before January of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to the Secretary at the time of such determination. The Secretary of Health and Human Services shall collect and transmit the information required by this subparagraph to the Secretary not later than January 1 of each year.

(C) When requested by the Secretary, the Secretary of Commerce shall make a special estimate of the number of children of such ages who are from families below the poverty level (as determined under subparagraph (A) of this paragraph) in each county or school district, and the Secretary is authorized to pay (either in advance or by

way of reimbursement) the Secretary of Commerce the cost of making this special estimate. The Secretary of Commerce shall give consideration to any request of the chief executive of a State for the collection of additional census information. For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

(d) Program for Indian Children.—(1) From the amount allotted for payments to the Secretary of the Interior under the second sentence of subsection (a)(1), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Secretary determines will best carry out the purposes of this chapter with respect to out-of-State Indian children in the elementary and secondary schools of such agencies under special contracts with the Department of the Interior. The amount of such payment may not exceed, for each such child, 40 percent of (A) the average per pupil expenditure in the State in which the agency is located or (B) 120 percent of such expenditure in the United States, whichever is the greater.

(2) The amount allotted for payments to the Secretary of the Interior under the second sentence of subsection (a)(1) for any fiscal year shall be, as determined pursuant to crite-

ria established by the Secretary, the amount necessary to meet the special educational needs of educationally deprived Indian children on reservations serviced by elementary and secondary schools operated, or operated with Federal assistance, for Indian children by the Department of the Interior. Such payment shall be made pursuant to an agreement between the Secretary and the Secretary of the Interior containing such assurances and terms as the Secretary determines will best achieve the purposes of this chapter. Such agreement shall contain (A) an assurance that payments made pursuant to this subparagraph will be used solely for programs and projects approved by the Secretary of the Interior which meet the applicable requirements of subpart 2 of this part and that the Department of the Interior will comply in all other respects with the requirements of this chapter, and (B) provision for carrying out the applicable provisions of subpart 2 of this part and part E. Such agreement shall consider a tribal organization operating a school under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) as a local educational agency, and shall consider the Secretary of the Interior as a State or State educational agency for all purposes defining the authority of States or State educational agencies relative to local educational agencies. If, in the capacity as a State educational agency, the Secretary of the Interior promulgates *regulations applicable to such tribal organizations, the Secretary shall comply with section 1451 of this Act and with section 553 of title 5 of the United States Code, relating to administrative procedure, and such regulations must be consistent with subsections (d) and (e) of section 1121, section 1130, and section 1133 of the Education Amendments of 1978.*

(e) TREATMENT OF EARNINGS FOR PURPOSES OF AID TO FAMILIES WITH DEPENDENT CHILDREN.—Notwithstanding the provisions of title IV of the Social Security Act, a State plan approved under section 402 of such Act shall provide that for a period of not less than 12 months, and may provide that for a period of not more than 24 months, the first $85 earned by any person in any month for services rendered to any program assisted under this chapter of this Act shall not be regarded (1) in determining the need of such person under such approved State plan or (2) in determining the need for any other individual under such approved State plan.

(f) DURATION OF ASSISTANCE.—During the period beginning October 1, 1988, and ending September 30, 1993, the Secretary shall, in accordance with the provisions of this part, make payments to State educational agencies for grants made on the basis of entitlements created under this chapter.

SEC. 1006. GRANTS FOR LOCAL EDUCATIONAL AGENCIES IN COUNTIES WITH ESPECIALLY HIGH CONCENTRATIONS OF CHILDREN FROM LOW-INCOME FAMILIES.

(a) ELIGIBILITY FOR AND AMOUNT OF SPECIAL GRANTS.—(1) From one-half of the amount available for this section under subsection (e), in each fiscal year, each county, in a State other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, which is eligible for a grant under this chapter for any fiscal year shall be entitled to an additional grant under this section for that fiscal year if—

(A) the number of children counted under section 1005(c) of this chapter in the school district of local educational agencies in such county for the preceding fiscal year exceeds 5,000, or

(B) the number of children counted under section 1005(c) exceeds 20 percent of the total number of children aged 5 to 17, inclusive, in the school districts of local educational agencies in such county in that fiscal year,

except that no such State shall receive less than one-half of 1 percent of the sums reserved under subsection (e) and available for this subsection for such fiscal year.

(2) For each county in which there are local educational agencies eligible to receive an additional grant under this subsection for any fiscal year the Secretary shall determine the product of—

(A) the number of children in excess of 5,000 counted under section 1005(c) for the preceding fiscal year or the number of children counted under that section in excess of 20 per centum of the total number of children aged 5 to 17, inclusive, in the school districts of local educational agencies in such country for that preceding fiscal year, whichever is greater, and

(B) the quotient resulting from the division of the amount determined for those agencies under section 1005(a)(2) of this title for the fiscal year for which the determination is being made divided by the total number of children counted under section 1005(c) for the preceding fiscal year.

(3) The amount of the additional grant to which an eligible county is entitled under this subsection for any fiscal year shall be an amount which bears the same ratio to the amount reserved under subsection (e) and available for this subsection for that fiscal year as the product determined under paragraph (2) for such county for that fiscal year bears to the sum of such products for all counties in the United States for that fiscal year.

(b) Additional Eligibility for Amount of Special Grants.—(1)(A) From one-half of the amount available under subsection (e) of this section for each fiscal year, except as provided in subparagraph (B), each State, other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, shall be eligible to receive a grant for each fiscal year under this section in an amount that bears the same ratio to the amount reserved under subsection (e) and available for this subsection in that fiscal year as the amount allocated under section 1005 of this Act to local educational agencies in the State bears to the total amount allocated to such agencies in all States.

(B) No State shall receive less than one-half of 1 percent of the amount available for this subsection for any fiscal year.

(2)(A) Each State, from amounts allocated to the State under paragraph (1) of this subsection, shall allocate funds to each county described in subparagraph (B) of this paragraph, in accordance with this subsection.

(B) The counties described in subparagraph (A) are any counties in the State in which there are local educational agencies in which—

(i) the number of children counted under section 1005(c) in the school districts of local educational

agencies in such county for the preceding year exceeds 5,000; or

(ii) the number of children counted under section 1005(c) exceeds 20 percent of the total number of children aged 5 to 17, inclusive, in the school districts of local educational agencies in such county in such fiscal year.

(3)(A) The amount of the additional grant under this subsection to which an eligible county is entitled under this section shall be an amount which bears the same ratio to the amount allocated to the State under subsection (a) as the product determined under subparagraph (2)(B) for such county for that fiscal year bears to the sum of such products for all counties which are eligible in the State for that fiscal year.

(B) For the purpose of subparagraph (A), the State educational agency shall determine the product of—

(i) the number of children counted in local educational agencies in each county of the State which meets the requirements of paragraph (2)(B); and

(ii) the quotient resulting from the division of the amount determined for those agencies under section 1005(a)(2) of this title for the fiscal year for which the determination is being made divided by the total

number of children counted under section 1005(c) for the preceding fiscal year.

(c) SPECIAL WITHIN-STATE ALLOCATION RULES.—(1) For the purpose of this section, the State educational agency shall determine the number of children counted under section 1005(c) for any county, and the total number of children aged 5 to 17, inclusive, in school districts of local educational agencies in such county, on the basis of the most recent satisfactory data available at the time the payment for such county is determined under section 1005.

(2)(A) Pursuant to regulations established by the Secretary and except as provided in subparagraphs (B) and (C), funds allocated to counties under this part shall be allocated by the State educational agency only to those local educational agencies whose school districts lie (in whole or in part) within the county and which are determined by the State educational agency to meet the eligibility criteria of subparagraphs (A) and (B) of subsection (a)(1), or clauses (i) and (ii) of subsection (b)(2)(B). Such determination shall be made on the basis of the available poverty data which such State educational agency determines best reflect the current distribution in the local educational agency of low-income families consistent with the purposes of this chapter. The amount of funds under this part that each qualifying local educational agency receives shall be proportionate to the

number or percentage of children from low-income families in the school districts of the local educational agency.

(B) In counties where no local educational agency meets the criteria of subparagraph (A) or (B) of subsection (a)(1), or clauses (i) and (ii) of subsection (b)(2)(B), the State educational agency shall allocate such funds among the local educational agencies within such counties (in whole or in part) in rank order of their respective concentration and numbers of children from low-income families and in amounts which are consistent with the degree of concentration of poverty. Only local educational agencies with concentrations of poverty that exceed the county wide average of poverty shall receive any funds pursuant to the provisions of this subparagraph.

(C)(i) In any State which in any fiscal year receives less than 1 percent of the amount available for this section under subsection (e), the State educational agency shall allocate such funds among local educational agencies in the State in accordance with division (ii) and in the order provided in division (ii).

(ii) The State educational agency shall, subject to the conditions of division (iv), allocate funds in each fiscal year—

(I) first, to local educational agencies in counties which meet the requirements of subsection (b)(2)(B);

(II) then, to local educational agencies, regardless of county, which meet the requirements of subsection (b)(2)(B); and

(III) last, to local educational agencies which do not meet the requirements of subsection (b)(2)(B), subject to the requirement that only local educational agencies with concentrations of poverty that exceed the statewide average of poverty will receive funds and subject to division (iii).

(iii) The State educational agency may not select the ranking order described in subdivision (III) until the State pays for the children in local educational agencies described in subdivisions (I) and (II) an amount equal to the amount which such agency is paid for such children under section 1005(a)(2) for the fiscal year for which the determination is made.

(iv) In carrying out the ranking order under division (ii), the total number of local educational agencies eligible for assistance under this subparagraph may not be more than the maximum number of local educational agencies that the State educational agencies would have identified under subdivision (III) of division (ii).

(d) PAYMENTS; USE OF FUNDS.—(1) The total amount which counties in a State are entitled to receive under this section for any fiscal year shall be added to the

amount paid to that State under section 1401 for such year. From the amount paid to it under this section, the State shall distribute to local educational agencies in each county of the State the amount (if any) to which it is entitled under this section.

(2) The amount paid to a local educational agency under this section shall be used by that agency for activities undertaken pursuant to its application submitted under section 1012 and shall be subject to the other requirements in subpart 2 of this part.

(e) RESERVATION OF FUNDS.—(1) For any fiscal year for which amounts appropriated for this chapter exceed $4,300,000,000, the amount specified in paragraph (2) shall be available to carry out this section.

(2)(A) The first $400,000,000 in excess of $4,300,000,000 appropriated for this chapter in any fiscal year shall be available to carry out this section.

(B) Whenever the amounts appropriated for this chapter exceed $4,700,000,000 in any fiscal year, 10 percent of the amount appropriated for that fiscal year shall be available to carry out this section.

(f) RATABLE REDUCTION RULE.—If the sums available under subsection (e) for any fiscal year for making payments under subsection (a) are not sufficient to pay in full the total amounts which all States are entitled to receive

under subsection (a) for such fiscal year, the maximum amounts which all States are entitled to receive under subsection (a) for such fiscal year shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year during which the preceding sentence is applicable, such reduced amount shall be increased on the same basis as they were reduced.

Subpart 2—Basic Program Requirements

SEC. 1011. USES OF FUNDS.

(a) PROGRAM DESCRIPTION.—(1) A local educational agency may use funds received under this chapter only for programs and projects which are designed to meet the special educational needs of educationally deprived children identified in accordance with section 1014 and which are included in an application for assistance approved by the State educational agency.

(2) Such programs and projects under paragraph (1) may include preschool through secondary programs; the acquisition of equipment and instructional materials; books and school library resources; employment of special instructional personnel, school counselors, and other pupil services personnel; employment and training of education aides; payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools serving project areas; the training of teachers, librarians, other instructional and pupil

services personnel, and as appropriate, early childhood education professionals (including training in preparation for the implementation of programs and projects in a subsequent school year); the construction, where necessary, of school facilities; parental involvement activities under section 1016; planning for and evaluation of such programs and projects assisted under this chapter; and other expenditures authorized under this chapter.

(3) Educational agencies are encouraged to develop programs to assist eligible children to improve their achievement in basic skills and more advanced skills and to consider year-round services and activities, including intensive summer school programs.

(b) INNOVATION PROJECTS.—Subject to the approval of the State educational agency, a local educational agency may use not more than 5 percent of payments under this part for the costs of conducting innovative projects developed by the local educational agency that include only—

(1) the continuation of services to children eligible for services in any preceding year for a period sufficient to maintain progress made during their eligibility;

(2) the provision of extended services to eligible children transferred to ineligible areas or schools as part of a desegregation plan;

(3) incentive payments to schools that have demonstrated significant progress and success in attaining the goals of this chapter;

(4) training of teachers and librarians not paid with funds under this chapter with respect to the special educational needs of eligible children and to integrate activities under this chapter into regular classroom programs;

(5) programs to encourage innovative approaches to parental involvement or rewards to or expansion of exemplary parental involvement programs; and

(6) encouraging community and private sector involvement and resources (including fiscal resources) in meeting the needs of eligible children.

SEC. 1012. APPLICATIONS.

(a) IN GENERAL.—A local educational agency may receive a grant under this chapter for any fiscal year if it has on file with the State educational agency an application which describes the programs and projects to be conducted with such assistance for a period of not more than 3 years and which describes the desired outcomes, in terms of basic and more advanced skills, which will be used as the basis for evaluating the program or project as required by section 1019, and such application has been approved by the State

educational agency and developed in consultation with teachers and parents.

(b) ASSURANCES.—Such application shall provide assurance that the programs and projects described—

(1) are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting the special educational needs of the children being served, are designed and implemented in consultation with teachers (including early childhood education professionals and librarians when appropriate), and provide for parental involvement in accordance with section 1016;

(2) make provision for services to educationally deprived children attending private elementary and secondary schools in accordance with section 1017;

(3) allocate time and resources for frequent and regular coordination of the curriculum under this chapter with the regular instructional program; and

(4) in the case of participating students who are also limited English proficient or are handicapped, provide maximum coordination between services provided under this chapter and services provided to address children's handicapping conditions or limited English proficiency, in order to increase program effec-

tiveness, eliminate duplication, and reduce fragmentation of the students' programs.

(c) DESCRIPTION OF SERVICES.—The application shall include a description of the local educational agency's plan for providing high quality services under this chapter, including—

(1) the procedures to be used under section 1014(b) for assessing students' needs in relation to the program goals;

(2) the procedures to be used under section 1019(a) for evaluation of the program's effectiveness in achieving the goals; and

(3) the procedures to be used for identifying and modifying the program for schools and students under section 1021.

SEC. 1013. ELIGIBLE SCHOOLS.

(a) GENERAL PROVISIONS.—(1) Subject to subsection (b), a local educational agency shall use funds received under this chapter in school attendance areas having high concentrations of children from low-income families (hereinafter referred to as "eligible school attendance areas"), and where funds under this chapter are insufficient to provide programs and projects for all educationally deprived children in eligible school attendance areas, a local educational agency shall annually rank its eligible school attendance areas from highest

to lowest, according to relative degree of concentration of children from low-income families. A local educational agency may carry out a program or project assisted under this chapter in an eligible school attendance area only if it also carries out such program or project in all other eligible school attendance areas which are ranked higher under the first sentence.

(2) The same measure of low income, which shall be chosen by the local educational agency on the basis of the best available data and which may be a composite of several indicators, shall be used with respect to all such areas, both to identify the areas having high concentrations of children from low-income families and to determine the ranking of each area.

(3) The requirements of this subsection shall not apply in the case of a local educational agency with a total enrollment of less than one thousand children, but this paragraph does not relieve such an agency from the responsibility to serve eligible children according to the provisions of section 1014.

(b) LOCAL EDUCATIONAL AGENCY DISCRETION.—Notwithstanding subsection (a)(1) of this section, a local educational agency shall have discretion to identify and rank eligible attendance areas as follows:

(1) A local educational agency may designate as eligible and serve any of its attendance areas if the

percentage of children from low income families in each attendance area of the agency is within 5 percentage points of the average percentage of such children for the entire local educational agency.

(2) A local educational agency may designate any school attendance area in which at least 25 percent of the children are from low-income families as an eligible school attendance area if the aggregate amount expended under this chapter and under a State program meeting the requirements of section 1018(d)(1)(B) in that fiscal year in each school attendance area of that agency in which projects assisted under this chapter were carried out in the preceding fiscal year equals or exceeds the amount expended from those sources in that area in such preceding fiscal year.

(3) A local educational agency may, with the approval of the State educational agency, designate as eligible and serve school attendance areas with substantially higher numbers or percentages of educationally deprived children before school attendance areas with higher concentrations of children from low-income families, but this paragraph shall not permit the provision of services to more school attendance areas than could otherwise be served. A State educational agency shall approve such a proposal only if the State educational

agency finds that the proposal will not substantially impair the delivery of compensatory education services to educationally derived children from low-income families in project areas served by the local educational agency.

(4) Funds received under this chapter may be used for educationally deprived children who are in a school which is not located in an eligible school attendance area when the proportion of children from low-income families in average daily attendance in such school is substantially equal to the proportion of such children in an eligible school attendance area of such agency.

(5) If an eligible school attendance area or eligible school was so designated in accordance with subsection (a) in the immediately preceding fiscal year, it may continue to be so designated for the subsequent fiscal year even though it does not qualify in such additional year.

(6) With the approval of the State educational agency, eligible school attendance areas or eligible schools which have higher proportions or numbers of children from low-income families may be skipped if they are receiving, from non-Federal funds, services of the same nature and scope as would otherwise be pro-

vided under this chapter, except that (A) the number of children attending private elementary and secondary schools who receive services under this chapter shall be determined without regard to non-Federal compensatory education funds which serve eligible children in public elementary and secondary schools, and (B) children attending private elementary and secondary schools who receive assistance under this chapter shall be identified in accordance with this section and without regard to skipping public school attendance areas or schools under this paragraph.

(c) ALLOCATIONS.—(1) Except as provided in paragraph (2), a local educational agency shall allocate funds under this chapter among project areas or schools on the basis of the number and needs of children to be served as determined in accordance with section 1014.

(2) Children in eligible schools, who receive services under this chapter and subsequently become ineligible due to academic achievement attributable to such services, may continue to be considered eligible for 2 additional years only for the purpose of determining the allocation of funds among eligible schools under paragraph (1). Any funds so allocated shall be used to provide services to any children determined to be eligible under section 1014.

SEC. 1014. ELIGIBLE CHILDREN.

(a) GENERAL PROVISIONS.—(1) Except as provided in subsections (c), (d), and (e) of this section and section 1015, a local educational agency shall use funds received under this chapter for educationally deprived children, identified in accordance with subsection (b) as having the greatest need for special assistance, in school attendance areas or schools satisfying the requirements of section 1013.

(2) The eligible population for services under this part are—

(A) those children up to age 21 who are entitled to a free public education through grade 12, and

(B) those children who are not yet at a grade level where the local educational agency provides a free public education, yet are of an age at which they can benefit from an organized instructional program provided in a school or other educational setting.

(b) ASSESSMENT OF EDUCATIONAL NEED.—A local educational agency may receive funds under this chapter only if it makes an assessment of educational needs each year to (1) identify educationally deprived children in all eligible attendance areas; (2) identify the general instructional areas on which the program will focus; (3) select those educationally deprived children who have the greatest need for special assistance, as identified on the basis of educationally related objective criteria established by the local educational agency,

which include written or oral testing instruments, that are uniformly applied to particular grade levels throughout the local educational agency; and (4) determine the special educational needs (and library resource needs) of participating children with specificity sufficient to ensure concentration on such needs.

(c) LOCAL EDUCATIONAL AGENCY DISCRETION.—(1) Educationally deprived children who begin participation in a program or project assisted under this chapter, in accordance with subsections (a) and (b) but who, in the same school year, are transferred to a school attendance area or school not receiving funds under this chapter, may, if the local agency so determines, continue to participate in a program or project funded under this chapter for the duration of that same school year.

(2) In providing services under this chapter a local educational agency may skip educationally deprived children in greatest need of assistance who are receiving, from non-Federal sources, services of the same nature and scope as would otherwise be provided under this chapter.

(3) A child who, in the previous year was identified as being in greatest need of assistance, and who continues to be educationally deprived, but who is no longer identified as being in greatest need of assistance, may participate in a

64

program or project assisted under this chapter for 2 additional years.

(d) SPECIAL RULES.—(1) Children receiving services to overcome a handicapping condition or limited English proficiency shall also be eligible to receive services under this chapter, if they have needs stemming from educational deprivation and not related solely to the handicapping condition or limited English proficiency. Such children shall be selected on the same basis as other children identified as eligible for and selected to receive services under this chapter. Funds under this chapter may not be used to provide services that are otherwise required by law to be made available to such children.

(2) A student who in the previous 2 years was receiving services under subpart 3 of part C of this chapter or under subpart 3 of part B of title I of the Elementary and Secondary Education Act (as amended by chapter 1 of the Education Consolidation and Improvement Act of 1981) shall be considered eligible for services under this part, and may be served subject to the provisions of subsections (a) and (b).

SEC. 1015. SCHOOLWIDE PROJECTS.

(a) USE OF FUNDS FOR SCHOOLWIDE PROJECTS.—In the case of—

(1) any school serving an attendance area that is eligible to receive services under this chapter and in

which, for the first year of projects assisted under this section, not less than 75 percent of the children are from low-income families, or

(2) any eligible school in which not less than 75 percent of the children enrolled in the school are from low-income families,

the local educational agency may carry out a project under this chapter to upgrade the entire educational program in that school if the requirements of subsections (b), (c), and (d) are met.

(b) Designation of Schools.—A school may be designated for a schoolwide project under subsection (a) if—

(1) a plan has been developed for that school by the local educational agency and has been approved by the State educational agency which—

(A) provides for a comprehensive assessment of educational needs of all students in the school, in particular the special needs of educationally deprived children;

(B) establishes goals to meet the special needs of all students and to ensure that educationally deprived children are served effectively and demonstrate performance gains comparable to other students;

(C) describes the instructional program, pupil services, and procedures to be used to implement the goals; and

(D) describes the specific uses of funds for compensatory educational services under this chapter as part of that program;

(2) the plan has been developed with the involvement of individuals who will be engaged in carrying out the plan, including parents, teachers, librarians, education aides, pupil services personnel, and administrators (and secondary students if the plan relates to a secondary school);

(3) the plan provides for consultation among such individuals under paragraph (2) as to the educational progress of all students and the participation of such individuals in the development and implementation of the accountability measures required by subsection (e);

(4) appropriate training is provided to parents of children to be served, teachers, librarians, and other instructional, administrative, and pupil services personnel to enable them effectively to carry out the plan;

(5) the plan includes procedures for measuring progress, as required by subsection (e), and describes the particular measures to be used; and

(6)(A) in the case of a school district in which there are one or more schools described in subsection (a) and there are also one or more other schools serving project areas, the local educational agency makes the Federal funds provided under this part available for children in such schools described in subsection (a) in amounts which per educationally deprived child served, equal or exceed the amount of such funds made available per educationally deprived child served in such other schools; and

(B) the average per pupil expenditure in schools described in subsection (a) (excluding amounts expended under a State compensatory education program) for the fiscal year in which the plan is to be carried out will not be less than such expenditure in such schools in the previous fiscal year, except that the cost of services for programs described in section 1018(d)(2)(A) shall be included for each fiscal year as appropriate only in proportion to the number of children in the building served in such programs in the year for which this determination is made.

(c) APPROVAL OF PLAN; OPERATION OF PROJECT.—(1) The State educational agency shall approve the plan of any local educational agency for a schoolwide project if that plan meets the requirements of subsection (b).

(2) For any school which has such a plan approved, the local educational agency—

(A) shall, in order to carry out the plan, be relieved of any requirements under this chapter with respect to the commingling of Federal funds provided under this chapter with funds available for regular programs;

(B) shall use funds received under this chapter only to supplement, and to the extent practicable, increase the level of funds that would in the absence of such Federal funds, be made available from non-Federal sources for the school approved for a school-wide project under paragraph (1); and

(C) shall comply with the provisions of section 1018(d).

(d) USE OF FUNDS.—In addition to uses under section 1011, funds may be used in schoolwide projects for other activities to improve the instructional program and pupil services in the school, such as reducing class size, training staff and parents of children to be served, and implementing extended schoolday programs.

(e) ACCOUNTABILITY.—(1) The State educational agency may grant authority for a local educational agency to operate a schoolwide project for a period of 3 years. If a school meets the accountability requirements in paragraphs

(2) and (3) at the end of such period, as determined by the State educational agency, that school will be allowed to continue the schoolwide project for an additional 3-year period.

(2)(A) Except as provided in subparagraph (B), after 3 years, a school must be able to demonstrate (i) that the achievement level of eligible children as measured according to the means specified in the plan required by subsection (b) exceeds the average achievement of participating children districtwide, or (ii) that the achievement of eligible children in that school exceeds the average achievement of such children in that school in the 3 fiscal years prior to initiation of the schoolwide project.

(B) For a secondary school, demonstration of lower dropout rates, increased retention rates, or increased graduation rates is acceptable in lieu of increased achievement, if achievement levels do not decline.

(3) Schools shall annually collect achievement and other assessment data for the purposes of paragraph (2). The results of achievement and other assessments shall be made available annually to parents, the public, and the State educational agency.

SEC. 1016. PARENTAL INVOLVEMENT.

(a) FINDINGS; GENERAL REQUIREMENT.—(1) Congress finds that activities by schools to increase parental involvement are a vital part of programs under this chapter.

(2) Toward that end, a local educational agency may receive funds under this chapter only if it implements programs, activities, and procedures for the involvement of parents in programs assisted under this chapter. Such activities and procedures shall be planned and implemented with meaningful consultation with parents of participating children and must be of sufficient size, scope, and quality to give reasonable promise of substantial progress toward achieving the goals under subsection (b).

(3) For purposes of this section, parental involvement includes, but is not limited to, parental input into the design and implementation of programs under this chapter, volunteer or paid participation by parents in school activities, and programs, training, and materials which build parents' capacity to improve their children's learning in the home and in school.

(b) GOALS OF PARENT INVOLVEMENT.—In carrying out the requirements of subsection (a), a local educational agency shall, in coordination with parents of participating children, develop programs, activities, and procedures which have the following goals—

(1) to inform parents of participating children of the program under this chapter, the reasons for their children's participation in such programs, and the spe-

cific instructional objectives and methods of the program;

(2) to support the efforts of parents, including training parents, to the maximum extent practicable, to work with their children in the home to attain the instructional objectives of programs under this chapter and to understand the program requirements of this chapter and to train parents and teachers to build a partnership between home and school;

(3) to train teachers and other staff involved in programs under this chapter to work effectively with the parents of participating students;

(4) to consult with parents, on an ongoing basis, concerning the manner in which the school and parents can better work together to achieve the program's objectives and to give parents a feeling of partnership in the education of their children;

(5) to provide a comprehensive range of opportunities for parents to become informed, in a timely way, about how the program will be designed, operated, and evaluated, allowing opportunities for parental participation, so that parents and educators can work together to achieve the program's objectives; and

(6) to ensure opportunities, to the extent practicable, for the full participation of parents who lack literacy skills or whose native language is not English.

(c) MECHANISMS FOR PARENTAL INVOLVEMENT.—(1) Each local educational agency, after consultation with and review by parents, shall develop written policies to ensure that parents are involved in the planning, design, and implementation of programs and shall provide such reasonable support for parental involvement activities as parents may request. Such policies shall be made available to parents of participating children.

(2) Each local educational agency shall convene an annual meeting to which all parents of participating children shall be invited, to explain to parents the programs and activities provided with funds under this chapter. Such meetings may be districtwide or at the building level, as long as all such parents are given an opportunity to participate.

(3) Each local educational agency shall provide parents of participating children with reports on the children's progress, and to the extent practical hold a parent-teacher conference with parents of each child served in the program, to discuss that child's progress, placement, and methods by which parents can complement the child's instruction. Educational personnel under this chapter shall be readily accessi-

ble to parents and shall permit parents to observe activities under this chapter.

(4) Local educational agencies shall (A) provide opportunities for regular meetings of parents to formulate parental input into the program, if parents of participating children so desire; (B) provide parents of participating children with timely information about the program; and (C) make parents aware of parental involvement requirements and other relevant provisions of programs under this chapter.

(5) Parent programs, activities, and procedures may include regular parent conferences; parent resource centers; parent training programs and reasonable and necessary expenditures associated with the attendance of parents at training sessions; hiring, training, and utilization of parental involvement liaison workers; reporting to parents on the children's progress; training and support of personnel to work with parents, to coordinate parent activities, and to make contact in the home; use of parents as classroom volunteers, tutors, and aides; provision of school-to-home complementary curriculum and materials and assistance in implementing home-based education activities that reinforce classroom instruction and student motivation; provision of timely information on programs under this chapter (such as program plans and evaluations); soliciting parents' suggestions in the planning, development, and operation of the program; provid-

ing timely responses to parent recommendations; parent advisory councils; and other activities designed to enlist the support and participation of parents to aid in the instruction of their children.

(6) Parents of participating children are expected to cooperate with the local educational agency by becoming knowledgeable of the program goals and activities and by working to reinforce their children's training at home.

(d) Coordination With Adult Education Act.—Programs of parental involvement shall coordinate, to the extent possible, with programs funded under the Adult Education Act.

(e) Accessibility Requirement.—Information, programs, and activities for parents pursuant to this section shall be provided in a language and form which the parents understand.

SEC. 1017. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

(a) General Requirements.—To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency shall, after timely and meaningful consultation with appropriate privte school officials, make provisions for including special educational services and arrangements (such

as dual enrollment, educational radio and television, other technology, and mobile educational services and equipment) in which such children can participate and which meet the requirements of sections 1011, 1012(b)(1), 1013, 1014, and 1018(b). Expenditures for educational services and arrangements pursuant to this section for educationally deprived children in private schools shall be equal (taking into account the number of children to be served and the special educational needs of such children) to expenditures for children enrolled in the public schools of the local educational agency.

(b) Bypass Provision.—(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Secretary shall waive such requirements, and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a).

(2) If the Secretary determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Secretary shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a),

upon which determination the provisions of subsection (a) shall be waived.

(3)(A) The Secretary shall develop and implement written procedures for receiving, investigating, and resolving complaints from parents, teachers, or other concerned organizations or individuals concerning violations of this section. The Secretary shall investigate and resolve each such complaint within 120 days after receipt of the complaint.

(B) When the Secretary arranges for services pursuant to this subsection, the Secretary shall, after consultation with the appropriate public and private school officials, pay to the provider the cost of such services, including the administrative cost of arranging for such services, from the appropriate allocation or allocations under this chapter.

(C) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Secretary may withhold from the allocation of the affected State or local educational agency the amount the Secretary estimates would be necessary to pay the cost of such services.

(D) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the local educational agency to meet the requirements of subsection (a).

(4)(A) The Secretary shall not take any final action under this subsection until the State educational agency and local educational agency affected by such action have had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or a designee to show cause why such action should not be taken.

(B) If a State or local educational agency is dissatisfied with the Secretary's final action after a proceeding under subparagraph (A) of this paragraph, it may within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(C) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(c) PRIOR DETERMINATION.—Any bypass determination by the Secretary under title I of the Elementary and Secondary Education Act of 1965 or chapter 1 of the Education Consolidation and Improvement Act shall remain in effect to the extent consistent with the purposes of this chapter.

(d) CAPITAL EXPENSES.—(1) A local educational agency may apply to the State educational agency for payments for capital expenses consistent with the provisions of this subsection. State educational agencies shall distribute funds to local educational agencies based on the degree of need as set forth in the application. Such an application shall contain information on such capital expenses by fiscal year and shall contain an assurance that any funds received pursuant to this subsection shall be used solely for purposes of the program authorized by this chapter.

(2)(A) From the amount appropriated for the purposes of this subsection for any fiscal year, the amount which each

State shall be eligible to receive shall be an amount which bears the same ratio to the amount appropriated as the number of children enrolled in private schools who were served under chapter 1 of the Education Consolidation and Improvement Act of 1981 in the State during the period July 1, 1984 through June 30, 1985, bears to the total number of such children served during such period in all States.

(B) Amounts which are not used by a State for the purposes of this subsection shall be reallocated by the Secretary among other States on the basis of need.

(3) There is authorized to be appropriated $50,000,000 for fiscal year 1989, and such sums as may be necessary for each of the fiscal years 1990, 1991, 1992, and 1993. Any sums appropriated under this provision shall be used for increases in capital expenses paid from funds under chapter 1 of the Education Consolidation and Improvement Act or this section subsequent to July 1, 1985, of local educational agencies in providing the instructional services required under section 557 of the Education Consolidation and Improvement Act and this section, when without such funds, services to private schoolchildren would have been or have been reduced or would be reduced or adversely affected.

(4) For the purposes of this subsection, the term "capital expenses" is limited to expenditures for noninstructional goods and services such as the purchase, lease and renovation

80

of real and personal property, insurance, and maintenance costs, transportation, and other comparable goods and services.

SEC. 1018. FISCAL REQUIREMENTS.

(a) MAINTENANCE OF EFFORT.—(1) Except as provided in paragraph (2), a local educational agency may receive funds under this chapter for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

(2) The State educational agency shall reduce the amount of the allocation of funds under this chapter in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of paragraph (1) by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

(3) The State educational agency may waive, for one fiscal year only, the requirements of this subsection if the State educational agency determines that such a waiver

would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency.

(b) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT REGULAR NON-FEDERAL FUNDS.—A State educational agency or other State agency in operating its State level programs or a local educational agency may use funds received under this chapter only so as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available from regular non-Federal sources for the education of pupils participating in programs and projects assisted under this chapter and in no case may such funds be so used as to supplant such funds from such non-Federal sources. In order to demonstrate compliance with this subsection, no State educational agency, other State agency, or local educational agency shall be required to provide services under this chapter through use of a particular instructional method or in a particular instructional setting.

(c) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT, NON-FEDERAL FUNDS FOR CERTAIN SPECIAL STATE AND LOCAL PROGRAMS.—(1) A local educational agency may use funds received under this chapter only so as to supplement and, to the extent practical, increase the level

of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for each of the special programs described in subsection (e) for the education of educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools and in no case, as to supplant such funds from non-Federal sources.

(2) It shall not be considered a violation of this subsection for a local educational agency, in carrying out a special program described in subsection (e), to take into consideration funds made available under this chapter, and to coordinate such special program with programs using this chapter, and to coordinate such special programs with programs using such Federal funds, if educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools, receive at least the same level of such special State and local funds that would have been made available to such children in the absence of funds under this chapter.

(3) For the purpose of this subsection, the level of funds that, in the absence of funds under this chapter would have been made available to such children shall be determined by reference to a plan for distributing such special funds. Such plan shall be based on objective criteria of need that do not discriminate against educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools. The objective criteria chosen by the local educa-

tional agency shall prescribe, with particularity, the children as well as the schools, grade-spans, or school attendance areas eligible for assistance and the method for selecting the particular children who will receive assistance under such special State or local program and the schools or grade-spans which such children attend or the school attendance areas in which such children reside. The criteria for selecting children, schools, grade-spans, and school attendance areas for participation shall be either educational need, a reasonable proxy for educational need, level of poverty, or a combination of such factors. Educationally deprived children residing in eligible school attendance areas or attending eligible schools, satisfying such objective criteria, must receive assistance under either this chapter or under such special State or local program before any child who does not satisfy such criteria receives such assistance.

(4) The provisions of this subsection shall not apply until 2 years after the date of enactment of this Act in any State in which State law contains provisions permitting local educational agencies to supplant State compensatory education funds which, in the absence of the funds under this chapter, would have been made available to educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools.

(d) COMPARABILITY OF SERVICES.—(1) A local educational agency may receive funds under this chapter only if State and local funds will be used in the district of such agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this chapter. Where all school attendance areas in the district of the agency are designated as project areas, the agency may receive such funds only if State and local funds are used to provide services which, taken as a whole, are substantially comparable in each project area.

(2)(A) A local educational agency meets the requirements of paragraph (1) if the agency has filed with the State educational agency a written assurance that it has established and implemented—

(i) a districtwide salary schedule;

(ii) a policy to ensure equivalence among schools in teachers, administrators, and auxiliary personnel; and

(iii) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

(B) Unpredictable changes in student enrollment or personnel assignments which occur after the beginning of a

school year shall not be included as a factor in determining comparability of services.

(3) Local educational agencies shall develop procedures for compliance with the provisions of this subsection, and shall annually maintain records documenting compliance. State educational agencies shall monitor the compliance of local educational agencies within their States with respect to the requirements of this paragraph.

(4) Local educational agencies with not more than one building for each grade span shall not be subject to the provisions of this subsection.

(e) EXCLUSION OF SPECIAL STATE AND LOCAL PROGRAM FUNDS.—(1)(A) For the purpose of determining compliance with the requirements of subsection (d), a local educational agency may exclude State and local funds expended for carrying out special programs to meet the educational needs of educationally deprived children including compensatory education for educationally deprived children (which meets the requirements of subparagraph (B)).

(B) A State or local program meets the requirements of this subparagraph if it is similar to programs assisted under this part. The Secretary shall consider a State or local program to be similar to programs assisted under this part if—

(i) all children participating in the program are educationally deprived,

(ii) the program is based on similar performance objectives related to educational achievement and is evaluated in a manner consistent with those performance objectives,

(iii) the program provides supplementary services designed to meet the special educational needs of the children who are participating,

(iv) the local educational agency keeps such records and affords such access thereto as are necessary to assure the correctness and verification of the requirements of this subparagraph, and

(v) the State educational agency monitors performance under the program to assure that the requirements of this subparagraph are met.

(2)(A) For the purpose of determining compliance with the requirements of subsection (d), a local educational agency may exclude State and local funds expended for—

(i) bilingual education for children of limited English proficiency;

(ii) special education and related services for handicapped children; and

(iii) certain State phase-in programs as described in subparagraph (B).

(B) A State education program which is being phased into full operation meets the requirements of this subparagraph if the Secretary is satisfied that—

(i) the program is authorized and governed specifically by the provisions of State law;

(ii) the purpose of the program is to provide for the comprehensive and systematic restructuring of the total educational environment at the level of the individual school;

(iii) the program is based on objectives, including but not limited to, performance objectives related to educational achievement and is evaluated in a manner consistent with those objectives;

(iv) parents and school staff are involved in comprehensive planning, implementation, and evaluation of the program;

(v) the program will benefit all children in a particular school or grade span within a school;

(vi) schools participating in a program describe, in a school level plan, program strategies for meeting the special educational needs of educationally deprived children;

(vii) at all times during such phase-in period at least 50 percent of the schools participating in the program are the schools serving project areas which have

the greatest number or concentrations of educationally deprived children or children from low-income families;

(viii) State funds made available for the phase-in program will supplement, and not supplant, State and local funds which would, in the absence of the phase-in program, have been provided for schools participating in such program;

(ix) the local educational agency is separately accountable, for purposes of compliance with the clauses of this subparagraph, to the State educational agency for any funds expended for such program; and

(x) the local educational agencies carrying out the program are complying with the clauses of this subparagraph and the State educational agency is complying with applicable provisions of this paragraph.

(3) The Secretary shall make an advance determination of whether or not a State program meets the requirements of this subsection. The Secretary shall require each State educational agency to submit the provisions of State law together with implementing rules, regulations, orders, guidelines, and interpretations which are necessary for an advance determination. The Secretary's determination shall be in writing and shall include the reasons for the determination. Whenever there is any material change in pertinent State law af-

fecting the program, the State educational agency shall submit such changes to the Secretary.

(4) The State educational agency shall make an advance determination of whether or not a local program meets the requirements of this subsection. The State educational agency shall require each local educational agency to submit the provisions of local law, together with implementing rules, regulations, guidelines, and interpretations which are necessary to make such an advance determination. The State educational agency's determination shall be in writing and shall include the reasons for the determination. Whenever there is any material change in pertinent local law affecting the program, the local educational agency shall submit such changes to the State educational agency.

(f) PROHIBITION REGARDING STATE AID.—No State shall take into consideration payments under this chapter in determining the eligibility of any local educational agency in that State for State aid, or the amount of State aid, with respect to free public education of children.

SEC. 1019. EVALUATIONS.

(a) LOCAL EVALUATION.—In accordance with national standards, each local educational agency shall—

(1) evaluate the effectiveness of programs assisted under this part at least once every 3 years (using objective measurement of individual student achievement

in basic skills and more advanced skills, aggregated for the local educational agency as a whole) as an indicator of the impact of the program;

(2) submit such evaluation results to the State educational agency at least once during each 3-year application cycle;

(3) conduct a review of the program's effectiveness in improving student achievement in any year in which the local educational agency does not conduct an evaluation pursuant to paragraph (1) and make the results of such review available to teachers, parents of participating children, and other appropriate parties;

(4) determine whether improved performance under paragraph (1) is sustained over a period of more than one program year;

(5) use the results of such evaluation and review in program improvement efforts; and

(6) annually evaluate, through consultation with parents, the effectiveness of the parental involvement program and determine what action needs to be taken, if any, to increase parental participation.

(b) STATE EVALUATIONS.—In accordance with national standards, each State educational agency shall—

(1) conduct an evaluation (based on local evaluation data collected under subsection (a) and sections

1108(b), 1202(a)(6), and 1242(d)) of the programs assisted under this chapter at least every 2 years, submit that evaluation to the Secretary and make public the results of that evaluation;

(2) inform local educational agencies, in advance, of the specific evaluation data that will be needed and how it may be collected; and

(3) collect data on the race, age, gender, and handicapping condition of children served by the programs assisted under this chapter and on the number of children served by grade-level under the programs assisted under this chapter and annually submit such data to the Secretary.

SEC. 1020. APPLICATIONS BY STATE EDUCATIONAL AGENCIES.

(a) APPLICATION REQUIRED.—Any State desiring to participate under this chapter shall submit to the Secretary, through its State educational agency, an application for a period not to exceed 3 fiscal years for each program for which it seeks assistance. The application may be amended annually, as may be necessary to reflect changes, without filing a new application.

(b) CONTENTS OF APPLICATION.—(1) Each application submitted by a State educational agency under this section shall include—

92

(A) a description of the criteria the State educational agency will use, and the procedures it will follow, to assess the educational effectiveness of programs conducted by local educational agencies and State agencies within the State receiving assistance under this chapter; and

(B) a description of the criteria the State educational agency will use, and the policy and procedures the State educational agency will follow, in taking corrective measures, in accordance with section 1021(f).

(2) In carrying out the requirement in paragraph (1)(A), each State educational agency shall demonstrate that the criteria and procedures are based on measurements and techniques that are generally accepted as valid and reliable. Each such assessment may take into account such factors as—

(A) the educational disadvantage of the student and the income of the family of the student,

(B) the size, scope, and quality of services and programs furnished under this chapter,

(C) the failure or inability of local educational agencies to provide services required by this chapter,

(D) the loss of regular class time for participating children, and

(E) safety concerns raised by the conditions under which services are provided.

(3) The Secretary may require the collection of certain data and the use of specific evaluation methods to ensure that data from the various States may be aggregated and compared.

(4) In any case in which the State assessment differs from the local assessment, the State educational agency shall include in its application the reasons for the difference, including the difference in the criteria for measurements used by the State and by the local educational agency.

(c) APPROVAL OF APPLICATIONS.—(1) The Secretary shall approve any State application that meets the requirements of this section.

(2) Before disapproving a State application, the Secretary shall provide reasonable notice and an opportunity for a hearing to the State educational agency.

SEC. 1021. PROGRAM IMPROVEMENT.

(a) SCHOOL PROGRAM IMPROVEMENT.—With respect to each school which shows inadequate improvement or a decline in aggregate achievement of children served under this chapter for one school year according to the objective measures and standards developed pursuant to section 1020 and section 1022, the local educational agency shall—

(1) develop and implement in coordination with such school a plan for program improvement which shall incorporate those program changes which have the greatest likelihood of improving the performance of educationally disadvantaged children including—

(A) a description of educational strategies designed to achieve the stated program goals and to meet the needs of eligible children revealed by the assessment to be deficient and in need of additional educational services;

(B) a description of adequate resources, and how the resources will be applied, to carry out effectively the strategies selected, including qualified personnel, inservice training, curriculum materials, equipment, and physical facilities;

(C) technical assistance;

(D) alternative curriculum that has shown promise in similar schools;

(E) improving coordination between the chapter 1 and the regular school program;

(F) evaluation of parent involvement;

(G) appropriate inservice training for staff paid with funds under this chapter and other staff who teach children served under this chapter; and

(H) other measures proposed by the local educational agency; and

(2) submit the plan to the local school board and the State educational agency, and make it available to parents of children served under this chapter in that school.

(b) State Assistance to Local Educational Agencies.—(1) If for 2 consecutive years, the aggregate achievement of children served under this chapter in a school does not improve or declines, the local educational agency shall, in consultation with the State educational agency, school staff and parents of participating children, develop and implement a joint plan for program improvement in that school until improved achievement in the aggregate is sustained over a period of more than 1 year.

(2) The State educational agency shall provide appropriate technical assistance to each school identified under paragraph (1) and shall jointly establish with local educational agency representatives objective measures of educational performance in identified schools and disseminate such criteria to local educational agencies.

(c) Local Conditions.—The local educational agency and the State educational agency, in performing their responsibilities under subsections (a) and (b), shall take into consideration—

(1) the mobility of the student population,

(2) the extent of educational deprivation among program participants which may negatively affect improvement efforts,

(3) the difficulties involved in dealing with older children in secondary school programs funded under this chapter, and

(4) whether indicators other than improved achievement demonstrate the positive effects on participating children of the activities funded under this chapter.

(d) STUDENT PROGRAM IMPROVEMENT.—On the basis of the evaluations and reviews under section 1019, each local educational agency shall—

(1) identify students who have been served for a program year and have shown no improvement or a decline in achievement,

(2) consider modifications in the program offered to better serve students so identified, and

(3) conduct a thorough assessment of the educational needs of students who remain in the program after 2 consecutive years of participation with no improvement in achievement.

(e) TECHNICAL ASSISTANCE.—In carrying out the program improvement and student improvement activities re-

quired in subsections (a), (b), and (d), local educational agencies and State educational agencies shall utilize the resources of the regional technical assistance centers established by section 1437(d) to the full extent such resources are available.

(f) NONCOMPLIANCE.—Whenever a State educational agency, after providing reasonable notice and an opportunity for a hearing to a local educational agency, finds that such agency has substantially failed to, for at least 2 years (1) provide effective compensatory educational services under this chapter, including services in accordance with section 1017, or (2) carry out any other requirement applicable to the program of the local educational agency under this chapter, the State educational agency shall take appropriate corrective action consistent with section 1022.

SEC. 1022. EDUCATIONAL IMPROVEMENT PLAN AND ACTIVITIES.

(a) PLAN CONDITION.—In any fiscal year in which appropriations are made pursuant to section 1404(b) to carry out the provisions of this section, a State educational agency shall submit to the Secretary through its State educational agency a plan for a period not to exceed 3 years which meets the requirements of subsection (b).

(b) PLAN REQUIREMENTS.—Each plan submitted under subsection (a) shall be developed in consultation with local educational agencies within the State. Each such plan

shall contain provisions designed to carry out the responsibilities of the State educational agency under section 1021, including—

(1) the objective measures and standards the State educational agency will use to assess school performance, or in the case of States where such measures and standards have not been developed, the process the State educational agency will use to develop the measures and standards in consultation with local educational agencies;

(2) the means the State educational agency will use to assist local educational agencies in assessing school performance and determining which schools are most in need of program improvement or in the case of States where such assessment has been done, the results of the assessment and plan for service to schools most in need of program improvement;

(3) in the case of States where the requirements of paragraphs (1) and (2) are completed upon application or will be within the first 2 years of the plan, the technical assistance the State educational agency will provide local educational agencies which have identified, pursuant to section 1021(a), schools in greatest need of program improvement to attain satisfactory student progress; and

(4) the means the State educational agency will use to develop joint plans with local educational agencies which have identified, pursuant to section 1021(b)(2), schools in greatest need of program improvement to attain satisfactory student progress and the technical assistance the State educational agency will provide such schools pursuant to section 1021(b)(3).

(c) PROGRAM IMPROVEMENT ACTIVITIES.—In the second fiscal year in which the provisions of subsection (a) are applicable, and in any such fiscal year thereafter, the State educational agency shall, consistent with the plan submitted under subsection (a), provide program improvement assistance to local educational agencies within the State and to schools within such agencies having the greatest need of assistance to attain adequate student achievement. Such program improvement assistance may include (but shall not be limited to) training and retraining of personnel, development of curricula that has shown promise in similar schools, replication of promising practices in effective schools models, improving coordination between programs assisted under this chapter and the regular school program, and the development of innovative strategies to enhance parental involvement.

PART B—PROGRAMS FOR SECONDARY SCHOOL BASIC SKILLS IMPROVEMENT AND FOR SCHOOL DROPOUT PREVENTION

SEC. 1101. STATEMENT OF PURPOSE.

It is the purpose of this part to provide additional assistance to local educational agencies with high concentrations of low-income children to improve the achievement of educationally disadvantaged children enrolled in secondary schools of such agencies, and to reduce the number of youths who do not complete their elementary and secondary education.

SEC. 1102. ALLOCATION.

(a) RESERVATION FOR MIGRANT PROGRAMS.—From the amount appropriated under section 1109 for fiscal years 1990, 1991, 1992, and 1993, the Secretary shall first reserve an amount equal to 3 percent of such amount for programs consistent with the purpose of this part for school dropout prevention and reentry programs and secondary school basic skills improvement programs for migrant children. Programs for which funds are reserved under this subsection shall be conducted through the Office of Migrant Education.

(b) STATE ALLOCATION.—Except as provided in subsection (c), each State shall be eligible to receive a grant under this part in each fiscal year that bears the same ratio to the remainder of the amount appropriated in that fiscal year as the amount allocated under section 1005 of this Act

to the local educational agencies in the State bears to the total amount allocated to such agencies in all States.

(c) STATE MINIMUM.—No State shall receive less than one-half of one percent of the amount appropriated for this part for any fiscal year.

(d) LOCAL EDUCATIONAL AGENCY ALLOCATION.—Each State educational agency shall allocate funds among local educational agencies in the State on the basis of—

(1) the eligibility of such agency for funds under section 1005 of this Act; and

(2) the criteria described in section 1105.

Each local educational agency may carry out the activities described in section 1103 in cooperation with community-based organizations.

(e) STATE ADMINISTRATION.—A State may reserve not more than 5 percent of the amounts available under this part for any fiscal year for State administrative costs.

SEC. 1103. USES OF FUNDS.

(a) GENERAL RULE.—A local educational agency may use—

(1) not to exceed 50 percent of funds paid under this part in any fiscal year for dropout prevention and reentry activities pursuant to subsection (b), and

(2) the remainder of such funds for secondary schools basic skills improvement activities pursuant to subsection (c).

(b) BASIC SKILLS FOR SECONDARY SCHOOLS.—Funds made available under this subsection may be used for—

(1) the initiation or expansion of programs to meet the special educational needs of secondary school students and to help such students attain grade level proficiency in basic skills;

(2) remedial programs specifically tailored to the needs of secondary school students;

(3) remedial activities to address the problems of poor achievement and course failure among eligible children;

(4) innovative approaches for surmounting barriers that make secondary school programs under this part difficult for certain students to attend and to administer, such as scheduling problems, courses leading to a general education diploma, and graduation requirements;

(5) innovative programs involving community-based organizations or the private sector, or both, to provide motivational activities, pre-employment training, or transition-to-work activities;

(6) programs for eligible students outside the school, with the goal of reaching dropouts who will not reenter the traditional school, for the purpose of providing remedial education, basic skills education, or courses for general educational development;

(7) the application of the resources of the community to assist in providing services to the target population;

(8) training for staff who will work with the target population on strategies and techniques for identifying, instructing, and assisting such students;

(9) guidance and counseling activities, support services, exploration of postsecondary educational opportunities, youth employment activities, and other student services which are necessary to assist eligible students; and

(10) the recruitment, training, and supervision of secondary school students (including the provision of stipends to low-income students) to serve as tutors of other students eligible for services under this part and under part A, in order to assist such eligible students with homework assignments, provide instructional activities, and foster good study habits and improved achievement.

(c) USES OF FUNDS FOR SCHOOL DROPOUT PREVENTION AND REENTRY PROJECTS.—Funds made available under this subsection may be used for—

(1) effective programs which identify potential student dropouts and prevent them from dropping out of elementary and secondary school;

(2) effective programs which identify and encourage children who have already dropped out to reenter school and complete their elementary and secondary education;

(3) effective programs for early intervention designed to identify at-risk students in elementary and early secondary schools;

(4) model systems for collecting and reporting information to local school officials on the number, ages, and grade levels of the children not completing their elementary and secondary education and the reasons why such children have dropped out of school;

(5) dropout programs which include coordinated services and activities with programs of vocational education, adult basic education, and programs under the Job Training Partnership Act; and

(6) projects which are carried out in consortia with a community-based organization, any nonprofit private organization, institution of higher education,

State educational agency, State and local public agencies, private industry councils (established under the Job Training Partnership Act), museum, library, or educational television or broadcasting station, or community-based organization.

(d) LIMITATION.—Not more than 25 percent of amounts available may be used by a local educational agency for noninstructional services.

SEC. 1104. APPLICATIONS.

(a) APPLICATION REQUIRED.—Any local educational agency which desires to receive a grant under this part shall submit to the State educational agency an application which describes the program to be supported with funds under this part and complies with the provisions of subsection (b).

(b) CONTENTS OF APPLICATION.—Each application submitted under subsection (a) shall—

(1) describe the program goals and the manner in which funds will be used to initiate or expand services to secondary school students, dropouts, and potential dropouts;

(2) describe the activities and services which will be provided by the program (including documentation to demonstrate that the local educational agency has the qualified personnel required to develop, administer, and implement the program under this subpart);

(3) assure that the programs will be conducted in schools with the greatest need for assistance, in terms of achievement levels, poverty rates, or dropout rates;

(4) assure that the programs will serve those eligible students most in need of the activities and services provided by this part;

(5) assure that services will be provided under this part to special populations, such as individuals with limited English proficiency and individuals with handicaps;

(6) assure that parents of eligible students will be involved in the development and implementation of programs under this part;

(7) describe the methods by which the applicant will coordinate programs under this part with programs for the eligible student population operated by community-based organizations, social service organizations and agencies, private sector entities, and other agencies, organizations, and institutions, and with programs conducted under the Vocational Education Act, the Adult Education Act, the Job Training Partnership Act, and other relevant Acts;

(8) assure that, if feasible, the local educational agency will enter into arrangements with local businesses, labor organizations, or chambers of commerce

under which such businesses and organizations will help secure employment for graduates of schools operating projects under this part;

(9) assure that to the extent consistent with the number of students in the school district of the local educational agency who are enrolled in private secondary schools, such agency shall, after timely and meaningful consultation with appropriate private school officials, make provision for including such services and arrangements for the benefit of such students as will assure their equitable participation in the purposes and benefits of this part;

(10) in the case of a local educational agency that is seeking funding for both dropout prevention and reentry and secondary school basic skills improvement activities, identify which activities in the applicant's proposed program that are primarily dropout prevention and reentry activities, and which activities are primarily secondary school basic skills improvement activities and the amount of funding requested for each such type of activity; and

(11) provide such other information as the State educational agency may require to determine the nature and quality of the proposed project and the applicant's ability to carry it out.

(c) SPECIAL RULE.—If the Secretary determines that a local educational agency has substantially failed to comply with paragraph (9) (by reason of State law or otherwise) or is unwilling to provide for such participation on an equitable basis, the Secretary shall waive such requirement, and, subject to the provisions of section 1017(b) of part A of this chapter, shall arrange for the provision of services to such students.

SEC. 1105. AWARD OF GRANTS.

Each State educational agency shall award grants to programs of local educational agencies within the State which—

(1) are serving local educational agencies in the State with the greatest need for services provided under this part based on their numbers of low-income children, and numbers of low-achieving children;

(2) are representative of urban and rural regions of the State;

(3) offer innovative approaches to achievement among eligible youth or offer approaches which show promise for replication and dissemination; and

(4) offer innovative approaches to reducing the number of school dropouts.

SEC. 1106. FISCAL REQUIREMENTS.

(a) General Rule.—The provisions of section 1018 (a) through (e) of this Act shall apply to the program authorized by this part.

(b) Special Rule.—(1) Each local educational agency shall use funds under this part to supplement the level of funds under this chapter that are used for secondary school programs.

(2) In order to comply with paragraph (1), any local educational agency which operates secondary school programs funded under chapter 1 of the Education Consolidation and Improvement Act of 1981 or part A of this Act and which are operating secondary school basic skills programs under this subpart shall continue the same aggregate level of funding for such programs, at the same schools or at other eligible schools within the local educational agency.

SEC. 1107. EVALUATIONS AND PROGRAM IMPROVEMENT.

(a) Local Evaluations.—In accordance with national standards, each local educational agency shall—

(1) evaluate programs assisted under this part in terms of their effectiveness in achieving goals (including objective measurement of educational achievement in basic skills and a determination of whether improved performance is sustained over a period of more than 1 year), or in the case of school dropout pro-

grams, a measurement of the education in the dropout rate;

(2) submit the results of such evaluations to the State educational agency at least every 2 years and consider such evaluations in improvement of the programs and projects assisted under this part; and

(3) assess the programmatic needs of students who remain in the program after 3 years of participation.

(b) STATE EVALUATIONS.—In accordance with national standards, each State educational agency shall—

(1) conduct an evaluation (based on local evaluation data collected under subsection (a)) of the programs assisted under this part at least every 2 years and shall make public the results of that evaluation;

(2) inform local educational agencies, in advance, of the specific evaluation data that will be needed and how it may be collected; and

(3) collect data on the race, age, gender, and handicapping condition of children served by the programs assisted under this part and on the number of children served by grade-level under the programs assisted under this part.

(c) PROGRAM IMPROVEMENT.—(1) Schools which show a decline in achievement of children served under this

part in any 2 consecutive years shall submit a detailed plan for improvement to the local educational agency.

(2) Schools receiving funds under this subsection which show no decline in the dropout rate shall submit a detailed plan for improvement to the local educational agency.

(3) The local educational agency shall review each plan required under paragraph (1) or (2), or both, and provide technical assistance for program improvement at that school. If achievement of children at that school continues to decline for 2 additional years, the local educational agency shall notify the State educational agency which shall provide technical assistance, as needed, for program improvement.

SEC. 1108. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $400,000,000 for fiscal year 1990, $450,000,000 for fiscal year 1991, $500,000,000 for fiscal year 1992, and $550,000,000 for fiscal year 1993 to carry out this part.

PART C—PROGRAMS OPERATED BY STATE AGENCIES

Subpart 1—Programs for Migratory Children

SEC. 1201. GRANTS—ENTITLEMENT AND AMOUNT.

(a) ENTITLEMENT.—A State educational agency or a combination of such agencies shall, upon application, be entitled to receive a grant for any fiscal year under this part to establish or improve, either directly or through local educa-

tional agencies, programs of education for migratory children of migratory agricultural workers (including migratory agricultural dairy workers) or of migratory fishermen which meet the requirements of section 1202.

(b) AMOUNT OF GRANT.—(1) Except as provided in section 1291, the total grants which shall be made available for use in any State (other than Puerto Rico) for this subpart shall be an amount equal to 40 percent of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 percent of the average per pupil expenditure in the United States, of 80 percent of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 percent of the average per pupil expenditure in the United States, of 120 percent of the average per pupil expenditure in the United States) multiplied by (i) the estimated number of such migratory children aged 3 to 21, inclusive, who reside in the State full time, and (ii) the full-time equivalent of the estimated number of such migratory children aged 3 to 21, inclusive, who reside in the State part time, as determined by the Secretary in accordance with regulations, except that if, in the case of any State, such amount exceeds the amount required under section 1202, the Secretary shall allocate such excess, to the extent necessary, to other States, whose

total of grants under this sentence would otherwise be insufficient for all such children to be served in such other States. In determining the full-time equivalent number of migratory children who are in a State during the summer months, the Secretary shall adjust the number so determined to take into account the special needs of those children for summer programs and the additional costs of operating such programs during the summer. In determining the number of migrant children for the purposes of this section the Secretary shall use statistics made available by the migrant student record transfer system or such other system as he may determine most accurately and fully reflects the actual number of migrant students. In submitting the information required to make such determination, the States shall not exceed a standard error rate of 5 percent.

(2) To carry out the determinations of eligibility required by this section, the Secretary shall develop a national standard form for certification of migrant students.

(3) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. The grant which Puerto Rico shall be eligible to receive under this section for a fiscal year shall be the amount arrived at by multiplying the number of such migrant children in Puerto Rico by the product of—

(A) the percentage determined under the preceding sentence, and

(B) 32 percent of the average per pupil expenditure in the United States.

SEC. 1202. PROGRAM REQUIREMENTS.

(a) REQUIREMENTS FOR APPROVAL OF APPLICATION.—The Secretary may approve an application submitted under section 1201(a) only upon a determination—

(1) that payments will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of migratory children of migratory agricultural workers or of migratory fishermen, and to coordinate such programs and projects with similar programs and projects in other States, including the transmittal of pertinent information with respect to school records of such children;

(2) that in planning and carrying out programs and projects there has been and will be appropriate coordination with programs administered under section 418 of the Higher Education Act, section 402 of the Job Training Partnership Act, the Education of the Handicapped Act, the Community Services Block Grant Act, the Head Start program, the migrant

health program, and all other appropriate programs under the Departments of Education, Labor, and Agriculture;

(3) that such programs and projects will be administered and carried out in a manner consistent with the basic objectives of section 1011 (other than subsection (b)), sections 1012, 1014, and 1018, and subpart 2 of part E;

(4) that, in the planning and operation of programs and projects at both the State and local educational agency level, there is appropriate consultation with parent advisory councils (established in order to comply with this provision) for programs extending for the duration of a school year, and that all programs are carried out in a manner consistent with the requirements of section 1016;

(5) that, in planning and carrying out programs and projects, there has been adequate assurance that provision will be made for the preschool education needs of migratory children of migratory agricultural workers or of migratory fishermen; and

(6) that programs conducted under this subpart will be evaluated in terms of their effectiveness in achieving stated goals, including objective measurements of educational achievement in basic skills, and

that for formerly migratory children who have been served under this subpart in a full school year program for at least 2 years, such evaluations shall include a determination of whether improved performance is sustained for more than 1 year.

(b) CONTINUATION OF MIGRANT STATUS.—For purposes of this subpart, with the concurrence of the parents, a migratory child of a migratory agricultural worker or of a migratory fisherman shall be considered to continue to be such a child for a period, not in excess of 5 years. Such children who are currently migrant, as determined pursuant to regulations of the Secretary, shall be given priority in the consideration of programs and activities contained in applications submitted under this section.

(c) DEFINITIONS.—The Secretary shall continue to use the definitions of "agricultural activity", "currently migratory child", and "fishing activity" which were published in the Federal Register on April 30, 1985, in regulations prescribed under section 555(b) of the Education Consolidation and Improvement Act of 1981 and subpart 1 of part B of title I of the Elementary and Secondary Education Act of 1965. No additional definition of "migra- tory agricultural worker" or "migratory fisherman" may be applied to the provisions of this subpart.

(d) Bypass Provision.—If the Secretary determines that a State is unable or unwilling to conduct educational programs for migratory children of migratory agricultural workers or of migratory fishermen, that it would result in more efficient and economic administration, or that it would add substantially to the welfare or educational attainment of such children, the Secretary may make special arrangements with other public or nonprofit private agencies to carry out the purposes of this section in one or more States, and for this purpose the Secretary may use all or part of the total of grants available for any such State under this subpart.

SEC. 1203. COORDINATION OF MIGRANT EDUCATION ACTIVITIES.

(a) Activities Authorized.—(1) The Secretary is authorized to make grants (in consultation with and with the approval of the States) to State educational agencies for activities to improve the interstate and intrastate coordination among State and local educational agencies of the educational programs available for migratory students. Each grant issued under this paragraph shall not exceed 3 years for its stated purpose.

(2) The Secretary is also authorized to enter into contracts with State educational agencies to operate a system for the transfer among State and local educational agencies of migrant student records. No activity under this section shall,

for purposes of any Federal law, be treated as an information collection that is conducted or sponsored by a Federal agency.

(3) Grants or contracts shall also be made under this section to State educational agencies to develop and establish a national program of credit exchange and accrual for migrant students so that such students will be better able to meet graduation requirements and receive their high school diplomas. Such grants or contracts may not exceed 3 years.

(b) AVAILABILITY OF FUNDS.—The Secretary shall, from the funds appropriated for carrying out this subpart, reserve for purposes of this section for any fiscal year an amount, determined by the Secretary, which shall not be less than $6,000,000 nor more than 5 percent of the amount appropriated.

Subpart 2—Programs for Handicapped Children

SEC. 1221. AMOUNT AND ELIGIBILITY.

(a) ELIGIBILITY FOR GRANT.—(1) A State educational agency shall be eligible to receive a grant under this subpart for any fiscal year for programs for handicapped children.

(2) For the purpose of this subpart—

(A) "children" includes infants and toddlers, as appropriate, and

(B) "handicapped children" means mentally retarded, hard of hearing, deaf, speech or language im-

paired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired children or children with specific learning disabilities.

(b) STATE EDUCATIONAL AGENCY APPLICATION.—In order to receive a grant under this subpart, a State educational agency shall submit an application to the Secretary which provides assurances that—

(1) payments made under this subpart are used for programs and projects (including the acquisition of equipment) which are designed to meet the special education needs of handicapped children and the early intervention needs of handicapped infants and toddlers;

(2) all handicapped children in the State participating in programs and projects funded under this subpart receive a free appropriate public education and such children and such children's parents are provided all the rights and procedural safeguards under part B of the Education of the Handicapped Act and this subpart and that all handicapped infants and toddlers in the State participating under this subpart receive early intervention services and such infants and toddlers and their families are provided the rights and procedural safeguards under part H of such Act;

(3) programs and projects receiving assistance under this subpart are administered in a manner consistent with this subpart, subpart 2 of part E, part B of the Education of the Handicapped Act, and as determined by the Secretary to be appropriate, part H of the Education of the Handicapped Act, including the monitoring by such agency of compliance under paragraph (2);

(4) programs and projects under this subpart will be coordinated with services under the Education of the Handicapped Act;

(5) for fiscal year 1991, and each subsequent fiscal year, the State educational agency will administer the program authorized by this subpart through the State office responsible for administering part B of the Education of the Handicapped Act;

(6) the agency will report, annually, to the Secretary—

(A) the number of children served under this subpart for each disability and age category as described in part B of the Education of the Handicapped Act;

(B) the number of children served under this subpart in each of the educational placements described in section 618(b)(2) of the Education of

the Handicapped Act (and shall report separately State-operated and State-supported programs and local educational agency programs for children previously served in such State programs);

(C) the place of residence for the participating children; and

(D) on the uses of funds and the allocation of such funds for such uses under this subpart; and

(7) the agency shall report to the Secretary such other information as the Secretary may reasonably request.

(c) AMOUNT OF GRANT.—(1) Except as provided in subsection (e) and section 1291, the grant which a State educational agency (other than the agency for Puerto Rico) shall be eligible to receive under this section shall be an amount equal to 40 percent of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 percent of the average per pupil expenditure in the United States, of 80 percent of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 percent of the average per pupil expenditure in the United States, of 120 percent of the average per pupil expenditure in the United States), multiplied

by the number of handicapped children, aged from birth through age 21, enrolled on December 1, as determined by the Secretary, in programs or schools for handicapped infants, toddlers and children operated or supported by a State agency which—

(i) is directly responsible for providing free public education for handicapped children (including schools providing special education and related services for handicapped children); and

(ii) is directly responsible for providing early intervention services,

under contract or other arrangement with such State agency, in the most recent fiscal year for which satisfactory data are available. The State educational agency shall distribute such funds to the appropriate State educational agency on the basis of the December 1 child count by distributing an equal amount for each child counted.

(2) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in the Commonwealth of Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. Except as provided in subsection (e), a grant which the Commonwealth of Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the

number of such handicapped children in the Commonwealth of Puerto Rico by the product of—

(A) the percentage determined under the preceding sentence, and

(B) 32 percent of the average per pupil expenditure in the United States.

(d) COUNTING OF CHILDREN TRANSFERRING FROM STATE TO LOCAL PROGRAMS.—In any case in which a child described in section 1221(c)(1) leaves an educational program for handicapped children operated or supported by a State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (c) if—

(1) the child was receiving and continues to receive a free appropriate public education; and

(2) the State educational agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in section 1222.

(e) SPECIAL REQUIREMENT.—The State educational agency may count handicapped children aged 3–5, inclusive, in a State only if such State is eligible for a grant under section 619 of the Education of the Handicapped Act.

SEC. 1222. SERVICE AND PROGRAM APPLICATIONS.

(a) APPLICATION REQUIRED.—A State agency or local educational agency may receive a grant under this subpart for any fiscal year if it has on file with the State educational agency an application which describes the services, programs, and projects to be conducted with such assistance for a period of not more than 3 years, and each such application has been approved by the State educational agency. Any State educational agency operating programs or projects under this subpart shall prepare a written description of such programs and projects in accordance with subsections (b) and (c).

(b) REQUIREMENTS.—At a minimum each such application shall—

(1) indicate the number of children to be served;

(2) specify the number of children to be served for each disability and age category as described in part B of the Education of the Handicapped Act;

(3) describe the purpose or purposes of the project and the method or methods of evaluating the effectiveness of the services, projects, or program;

(4) specify the services to be provided with the funds furnished under this subpart; and

(5) include other information the Secretary or State educational agency may request.

(c) APPLICATION ASSURANCES.—Any such application shall provide assurances that—

(1) all handicapped children in the State participating in programs and projects funded under this subpart receive a free appropriate public education and such children and such children's parents are provided all the rights and procedural safeguards under part B of the Education of the Handicapped Act and this subpart and that all handicapped infants and toddlers in the State participating under this subpart receive early intervention services and such infants and toddlers and their families are provided the rights and procedural safeguards under part H of such Act;

(2) services, programs, and projects conducted under this subpart are of sufficient size, scope, and quality to give reasonable promise toward meeting the special educational and early intervention needs of children to be served;

(3) funds made available under the subpart will supplement, not supplant State and local funds in accordance with section 1018(b);

(4) the agency will maintain its fiscal effort in accordance with section 1018(a);

(5) the agency will conduct such evaluations and assessments as may be necessary to demonstrate that

the programs and projects are beneficial to the children served;

(6) the parents of children to be served with funds under this subpart are provided an opportunity to participate in the development of its project application; and

(7) the agency will comply with all reporting requirements in a timely manner.

(d) LETTER OF REQUEST.—The State educational agency may accept, in lieu of a project application, a letter of request for payment from a local educational agency, if the local agency intends to serve fewer than 5 children with its payment. In such a letter the agency shall include an assurance that the payment shall be used to supplement the provision of special education and related services.

SEC. 1223. USES OF FUNDS.

(a) GENERAL RULE.—Services, programs, and projects authorized under this subpart may include, but are not limited to—

(1) services provided in early intervention, preschool, elementary, secondary, and transition programs;

(2) acquisition of equipment and instructional materials;

(3) employment of special personnel;

(4) training and employment of education aides;

(5) training in the use and provision of assistive devices and other specialized equipment;

(6) training of teachers and other personnel;

(7) training of parents of handicapped infants and children;

(8) training of nonhandicapped children to facilitate their participation with handicapped children and infants in joint activities;

(9) training of employers and independent living personnel involved in assisting the transition of handicapped children from school to the world of work and independent living;

(10) outreach activities to identify and involve handicapped infants and children and their families more fully in a wide range of educational and recreational activities in their communities;

(11) assessment of children; and

(12) planning for, evaluation of, and dissemination of information regarding such programs and projects assisted under this subpart.

(b) PROHIBITION.—Programs and projects authorized under this subpart may not include the construction of facilities.

SEC. 1224. ELIGIBLE CHILDREN.

The eligible children for services under this subpart are—

(1) those handicapped children from birth to 21, inclusive, who—

(A) the State is directly responsible for providing education or early intervention services to, and

(B)(i) are participating in a State-operated or State-supported school or program for handicapped children (including schools and programs operated under contract or other arrangement with a State agency), or

(ii) previously participated in such a program and are being educated by local educational agencies; and

(2) other handicapped children, if children described in paragraph (1) have been fully served.

SEC. 1225. FEDERAL MONITORING REQUIREMENT.

Whenever the Secretary conducts monitoring visits under part B of the Education of the Handicapped Act, the Secretary shall monitor the program authorized by this subpart, if applicable.

Subpart 3—Programs for Neglected and Delinquent Children

SEC. 1241. AMOUNT AND ENTITLEMENT.

(a) ENTITLEMENT TO GRANTS.—A State agency which is responsible for providing free public education for children in institutions for neglected or delinquent children or in adult correctional institutions shall be entitled to receive a grant under this subpart for any fiscal year (but only if grants received under this subpart are used only for children in such institutions).

(b) AMOUNT OF GRANT.—(1) Except as provided in section 1291, the grant which such an agency (other than the agency for Puerto Rico) shall be eligible to receive shall be an amount equal to 40 percent of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 percent of the average per pupil expenditure in the United States, of 80 percent of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 percent of the average per pupil expenditure in the United States, of 120 percent of the average per pupil expenditure in the United States) multiplied by the number of such neglected or delinquent children in average daily attendance, as determined by the Secretary, at schools for such children operated or supported by that agency, including schools providing education

for such children under contract or other arrangement with such agency, in the most recent fiscal year for which satisfactory data are available.

(2) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of such neglected or delinquent children in Puerto Rico by the product of—

(A) the percentage determined under the preceding sentence, and

(B) 32 percent of the average per pupil expenditure in the United States.

SEC. 1242. PROGRAM REQUIREMENTS.

(a) USE OF PAYMENTS.—A State agency shall use payments under this subpart only for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of children in institutions for neglected or delinquent children, children attending community day programs for neglected and delinquent children, or children in adult correctional institutions. Such programs and projects shall be designed to support educational services

supplemental to the basic education of such children which must be provided by the State, and such programs and projects shall be administered and carried out in a manner consistent with subpart 2 of part E and sections 1011 (other than subsection (b)), 1014, and section 1018 (other than subsection (c)). The transfer among State and local educational agencies, institutions, and programs of neglected and delinquent student records shall include any individualized education programs of such students.

(b) COMPLIANCE.—In determining whether programs under this subpart have complied with the supplement not supplant requirement under section 1018(b), programs which are supplementary in terms of the number of hours of instruction students are receiving from State and local sources, shall be considered in compliance without regard to the subject areas in which those instructional hours are given.

(c) THREE-YEAR PROJECTS.—Where a State agency operates programs under this chapter in which children are likely to participate for more than 1 year, the State educational agency may approve the application for a grant under this subpart for a period of more than 1 year, but not to exceed 3 years.

(d) EVALUATION.—Programs for neglected and delinquent children under this subpart shall be evaluated annually to determine their impact on the ability of such children to

maintain and improve educational achievement, to maintain school credit in compliance with State requirements, and to make the transition to a regular program or special education program operated by a local educational agency.

SEC. 1243. TRANSITION SERVICES.

(a) TRANSITION SERVICES.—Each State may reserve not more than 10 percent of the amount it receives under section 1241 for any fiscal year to support projects that facilitate the transition of children from State operated institutions for neglected and delinquent children into locally operated programs.

(b) CONDUCT OF PROJECTS.—Projects supported under this section may be conducted directly by the State agency, or by contracts or other arrangements with one or more local educational agencies, other public agencies, or private nonprofit organizations.

(c) LIMITATION.—Assistance under this section shall be used only to provide special educational services to neglected and delinquent children in schools other than State operated institutions.

SEC. 1244. DEFINITIONS.

For the purposes of this subpart, the following terms have the following meanings:

(1) The term "institution for delinquent children", as determined by the State educational agency,

means a public or private residential facility that is operated for the care of children who have been determined to be delinquent or in need of supervision.

(2) The term "institution for neglected children" means, as determined by the State educational agency, a public or private residential facility (other than a foster home) that is operated for the care of children who have been committed to the institution or voluntarily placed in the institution under applicable State law, due to abandonment, neglect, or death of parents or guardians.

Subpart 4—General Provisions for State Operated Programs

SEC. 1291. RESERVATION OF FUNDS FOR TERRITORIES.

There is authorized to be appropriated for each fiscal year for purposes of each of subparts 1, 2, and 3 of this part, an amount equal to not more than 1 percent of the amount appropriated for such year for such subparts, for payments to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands under each such subpart. The amounts appropriated for each such subpart shall be allotted among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for such grants, based on such criteria *as the Secretary determines will best carry out the purposes of this chapter.*

SEC. 1292. DUAL ELIGIBILITY FOR PROGRAMS.

Neglected and delinquent children under subpart 3 who are eligible for programs for handicapped children under subpart 2, may be counted under each subpart for purposes of grant determination and may be served under each such program.

PART D—PAYMENTS

SEC. 1401. PAYMENT METHODS.

The Secretary shall, from time to time pay to each State, in advance or otherwise, the amount which it and the local educational agencies of that State are eligible to receive under this chapter. Such payments shall take into account the extent (if any) to which any previous payment to such State educational agency under this chapter (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it.

SEC. 1402. AMOUNT OF PAYMENTS TO LOCAL EDUCATIONAL AGENCIES.

From the funds paid to it pursuant to section 1401 each State educational agency shall distribute to each local educational agency of the State which is eligible to receive a grant under this chapter and which has submitted an application approved pursuant to section 1012 the amount for which such *application has been approved, and the amount which the local educational agency is eligible to receive under section 1102 except that the amount shall not exceed the amount determined for that local educational agency under this chapter.*

SEC. 1403. ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS.

(a) ADJUSTMENT ALLOCATION.—If the sums appropriated for any fiscal year for making the payments provided in this chapter are not sufficient to pay in full the total amounts which all local and State educational agencies are entitled to receive under this chapter for such year, the amount available for each grant to a State agency eligible for a grant under subpart 1, 2, or 3 of part C shall be equal to the total amount of the grant as computed under each such subpart. If the remainder of such sums available after the application of the preceding sentence is not sufficient to pay in full the total amounts which all local educational agencies are entitled to receive under subpart 1 of part A of this chapter for such year, the allocations to such agencies shall, subject to section 1006(c) and to adjustments under the next sentence, be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amount so appropriated. The allocation of a local educational agency which would be reduced under the preceding sentence to less than 85

percent of its allocation under subpart 1 of the part A for the preceding fiscal year, shall be increased to such amount, the total of the increases thereby required being derived by proportionately reducing the allocations of the remaining local educational agencies, under the preceding sentence, but with such adjustments as may be necessary to prevent the allocation to any remaining local educational agency from being thereby reduced to less than 85 percent of its allocation for such year.

(b) ADDITIONAL FUNDS ALLOCATION.—(1) In case additional funds become available for making payments under this chapter for that year, allocations that were reduced pursuant to subsection (a) shall be increased on the same basis that they were reduced.

(2) In order to permit the most effective use of all appropriations made to carry out this chapter, the Secretary may set dates by which (A) State educational agencies must certify to the Secretary the amounts for which the applications of educational agencies have been or will be approved by the State and (B) State educational agencies referred to in subpart 1 of part C must file applications. If the maximum grant a local educational agency would receive (after any ratable reduction which may have been required under the first sentence of subsection (a) of this section) is more than an amount which the State educational agency determines, in

accordance with regulations prescribed by the Secretary, such agency will use, the excess amount shall be made available first to educational agencies in that State. Determinations of the educational agencies to which such excess amounts shall be made available by the State educational agency in furtherance of the purposes of this chapter shall be in accordance with criteria prescribed by the Secretary which are designed to assure that such excess amounts will be made available to other eligible educational agencies with the greatest need, for the purpose of, where appropriate, redressing inequities inherent in, or mitigating hardships caused by, the application of the provisions of section 1005(a) as a result of such factors as population shifts and changing economic circumstances. In the event excess amounts remain after carrying out the preceding two sentences of this section, such excess amounts shall be distributed among the other States as the Secretary shall prescribe for use by local educational agencies in such States for the purposes of this chapter in such manner as the respective State educational agencies shall prescribe.

SEC. 1404. PAYMENTS FOR STATE ADMINISTRATION.

(a) IN GENERAL.—The Secretary is authorized to pay to each State amounts equal to the amounts expended by it for the proper and efficient performance of its duties under this chapter (other than subsection 1022), except that the

total of such payments in any fiscal year shall be the greater of the following:

(1) 1 percent of the amount allocated to the State and its local educational agencies and to other State agencies as determined for that year under parts A and C; or

(2) $325,000, or $50,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(b) STATE EDUCATION IMPROVEMENT ADMINISTRATION COSTS.—In any fiscal year in which the appropriations for this chapter equal or exceed $4,800,000,000, the Secretary is authorized to pay, in addition to the amounts described in subsection (a), to each State for carrying out section 1022, an amount equal to—

(1)(A) 0.5 percent of the amount allocated to the State and its local educational agencies and to other State agencies as determined for that year under parts A and C for the first and second such fiscal years; and

(B) 1 percent of the amount allocated to the State and its local educational agencies and to other State agencies as determined for that year under parts A and C for each such fiscal year thereafter; or

(2)(A) $160,000 or $25,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands, in the first or second such year, and

(B) $325,000 or $50,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands, in each such fiscal year thereafter.

(c) LIMITATION ON INDIRECT COSTS.—Not more than 15 percent of the State administrative allocation under subsection (a) may be used for indirect costs of the grant.

SEC. 1405. LIMITATION ON GRANT TO PUERTO RICO.

Notwithstanding the provisions of this chapter, the amount paid to the Commonwealth of Puerto Rico under this chapter for any fiscal year shall not exceed 150 percent of the amount received by Puerto Rico under chapter 1 of the Education Consolidation and Improvement Act or under this chapter in the preceding fiscal year. Any excess over such amount shall be used to ratably increase the allocations under subpart 1 of part A of the other local educational agencies whose allocations do not exceed the maximum amount for which they are eligible under section 1005.

PART E—GENERAL PROVISIONS

Subpart 1—Federal Administration

SEC. 1431. FEDERAL REGULATIONS.

(a) IN GENERAL.—The Secretary is authorized to issue such regulations as are considered necessary to reasonably ensure that there is compliance with the specific requirements and assurances required by this chapter.

(b) NEGOTIATED RULEMAKING REQUIRED.—(1) The Secretary shall ensure that, before publication in the Federal Register, proposed regulations pursuant to this chapter are developed by means of the negotiated rulemaking process, as defined by the Administrative Conference of the United States in Recommendation 82–4, "Procedures for Negotiating Proposed Regulations" (47 Fed. Reg. 30708, June 18, 1982).

(2) It is the intent of the Congress that Federal, State, and local administrators, parents, teachers, and members of local boards of education involved with implementation of programs under this chapter should participate in the negotiated rulemaking process.

(c) LIMITATION.—Programs under this chapter may not be required to follow any one instructional model, such as the provision of services outside the regular classroom or school program.

SEC. 1432. AVAILABILITY OF APPROPRIATIONS.

(a) GENERAL PROVISION.—Notwithstanding any other provision of law, unless expressly in limitation of this section, funds appropriated in any fiscal year to carry out activities under this chapter shall become available for obligation on July 1 of such fiscal year and shall remain available for obligation until the end of the subsequent fiscal year.

(b) CARRYOVER AND WAIVER.—Notwithstanding section 412 of General Education Provisions Act, subsection (a) or any other provision of law—

(1) not more than 25 percent of funds appropriated for fiscal year 1989 and 15 percent of funds appropriated for fiscal year 1990 and each subsequent year may remain available for obligation for 1 additional year;

(2) a State educational agency may grant a one-time waiver of the percentage limitation under paragraph (1) if the agency determines that the request by a local educational agency is reasonable and necessary or may grant a waiver in any fiscal year in which supplemental appropriations for this chapter become available for obligation; and

(3) the percentage limitation under paragraph (1) shall not apply with respect to any local educational agency which receives less than $50,000 under this chapter for any fiscal year.

SEC. 1433. WITHHOLDING OF PAYMENTS.

(a) WITHHOLDING.—Whenever the Secretary, after reasonable notice to any State educational agency and an opportunity for a hearing on the record, finds that there has been a failure to comply substantially with any assurances required to be given or conditions required to be met under this chapter, the Secretary shall notify such agency of these findings and that beginning 60 days after the date of such notification, further payments will not be made to the State under this chapter, or affected part or subpart thereof (or, in his discretion, that the State educational agency shall reduce or terminate further payments under the affected part or subpart thereof, to specified local educational agencies or State agencies affected by the failure) until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, (1) no further payments shall be made to the State under the part or subpart thereof, or (2) payments by the State educational agency under the part or subpart thereof shall be limited to local educational agencies and State agencies not affected by the failure, or (3) payments to particular local educational agencies shall be reduced, as the case may be.

(b) NOTICE TO PUBLIC.—Upon submission to a State of a notice under subsection (a) that the Secretary is withholding payments, the Secretary shall take such action as

may be necessary to bring the withholding of payments to the attention of the public within the State.

SEC. 1434. JUDICIAL REVIEW.

(a) FILING APPEALS.—If any State is dissatisfied with the Secretary's action under section 1433(a), such State may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The filing of such petition shall act to suspend any withholding of funds by the Secretary pending the judgment of the court and prior to a final action on any review of such judgment. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary's action was based, as provided in section 2112 of title 28, United States Code.

(b) BASIS OF REVIEW.—For the purposes of this chapter, the basis of review shall be as provided in section 458(c) of the General Education Provisions Act.

(c) JUDICIAL APPEALS.—Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari of certifica-

144

tion as provided in section 1254 of title 28, United States Code.

SEC. 1435. EVALUATION.

(a) NATIONAL STANDARDS.—In consultation with State and local educational agencies (including members of State and local boards of education and parent representatives), the Secretary shall develop national standards for local evaluation of programs under this chapter. Such standards shall ensure a common reporting format to allow national aggregation of evaluation results. The Secretary shall provide advance notification to State and local educational agencies of the requirements of such national standards of evaluation.

(b) REPORTS.—The Secretary shall submit a comprehensive and detailed report concerning State and local evaluation results based on data collected under sections 1019, 1107(a), 1202(a)(6), and 1242(d) to the appropriate committees of the Congress on a biennial basis.

SEC. 1436. COORDINATION OF FEDERAL, STATE, AND LOCAL ADMINISTRATION.

(a) POLICY MANUAL.—The Secretary shall, not later than 6 months after the publication of final regulations with respect to this chapter, prepare and distribute to State educational agencies, State agencies operating programs under part C, and local educational agencies, and shall make avail-

able to parents and other interested individuals, organizations, and agencies, a policy manual for this chapter to—

(1) assist such agencies in (A) preparing applications for program funds under this chapter, (B) meeting the applicable program requirements under this chapter, and (C) enhancing the quality, increasing the depth, or broadening the scope of activities for programs under this chapter;

(2) assist State educational agencies in achieving proper and efficient administration of programs funded under this chapter;

(3) assist parents to become involved in the planning for, and implementation and evaluation of, programs and projects under this chapter; and

(4) ensure that officers and employees of the Department of Education, including officers and employees of the Secretary and officers and employees of such Department charged with auditing programs carried on under this chapter, uniformly interpret, apply, and enforce requirements under this chapter throughout the United States.

(b) CONTENTS OF POLICY MANUAL.—The policy manual shall, with respect to programs carried on under this chapter, contain descriptions, statements, procedural and substantive rules, opinions, policy statements and interpretations

and indices to and amendments of the foregoing, and in particular, whether or not such items are required under section 552 of title 5, United States Code to be published or made available, the manual shall include (but not be limited to)—

(1) a statement of the requirements applicable to the programs carried on under this chapter including such requirements contained in this chapter, the General Education Provisions Act, other applicable statutes, and regulations issued under the authority of such statutes;

(2) an explanation of the purpose of each requirement and its interrelationship with other applicable requirements;

(3) a statement of the procedures to be followed by the Secretary with respect to proper and efficient performance of administrative responsibilities;

(4) summaries of (A) advisory opinions interpreting and applying applicable requirements, and (B) final audit determinations relevant to programs under this chapter, including examples of actual applications of the legal requirements of applicable statutes and regulations;

(5) model forms and instructions developed by the Secretary for use by State and local educational agencies, at their discretion, including, but not limited to,

application forms, application review checklists, and instruments for monitoring programs under this chapter;

(6) summaries of appropriate court decisions concerning programs under this chapter; and

(7) model forms, policies, and procedures developed by State educational agencies.

(c) TECHNICAL ASSISTANCE.—From funds available to the Secretary for studies, evaluations, and technical assistance, the Secretary shall continue, establish, and expand technical assistance centers to provide assistance to State and local educational agencies with respect to programs under this chapter. In providing such assistance, centers shall place particular emphasis on information relating to program improvement, parental involvement, instruction, testing and evaluation, and curriculum under this chapter. Such centers shall be accessible through electronic means.

(d) FEDERAL DISSEMINATION OF EXEMPLARY PROGRAMS.—To the extent possible, the Secretary shall provide information to State and local educational agencies regarding opportunities for dissemination of exemplary programs under this chapter through the National Diffusion Network. The Secretary shall emphasize programs which are exemplary in their implementation of the parent involvement provisions of section 1016. The Secretary shall coordinate Federal exem-

plary project identification activities with the National Diffusion Network.

(e) Federal Review of State and Local Administration.—The Secretary shall provide for a review of State and local administration of programs under this chapter. In addition to such other areas as the Secretary may consider appropriate, the review shall consider State policies, guidance materials, monitoring and enforcement activities, and the detection and resolution of problems of local noncompliance.

SEC. 1437. AUTHORIZATION OF APPROPRIATIONS FOR EVALUATION AND TECHNICAL ASSISTANCE.

There are authorized to be appropriated for the purposes of sections 1435, 1436, and 1437, for other Federal evaluation, technical assistance, and research activities related to this chapter, and authorized studies under this chapter, $8,000,000 for fiscal year 1989; $8,400,000 for fiscal year 1990; $8,800,000 for fiscal year 1991; $9,200,000 for fiscal year 1992; and $9,700,000 for fiscal year 1993.

SEC. 1438. APPLICATION OF GENERAL EDUCATION PROVISIONS ACT.

(a) General Rule.—Except as otherwise specifically provided by this section, the General Education Provisions Act shall apply to the programs authorized by this chapter.

(b) Supercession Rule.—The following provisions of the General Education Provisions Act shall be superseded by the specified provisions of this chapter with respect to the programs authorized by this subtitle:

(1) Section 408(a)(1) of the General Education Provisions Act is superseded by section 1431 of this chapter.

(2) Section 426(a) of such Act is superseded by section 1437 of this chapter.

(3) Section 427 of such Act is superseded by section 1016 of this chapter.

(4) Section 430 of such Act is superseded by sections 1012, 1105(b), 1202, and 1224 of this chapter.

(5) Section 453 of such Act is superseded by section 1433 of this chapter.

(6) Section 455 of such Act is superseded by section 1434 of this chapter with respect to judicial review of withholding of payments.

(c) Exclusion Rule.—Sections 434, 435, and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to the programs authorized by this chapter and shall not be construed to authorize the Secretary to require any reports or take any actions not specifically authorized by this chapter.

(d) Complaint Procedures Regulations.—The Secretary shall revise regulations issued under the General Education Provisions Act, relating to the State complaint procedures, as such regulations apply to the operation of the program authorized by this chapter, in order to assure that the regulations are designed to make parents aware of the availability of such procedures.

Subpart 2—State Administration

SEC. 1451. STATE REGULATIONS.

(a) In General.—(1) Except as provided in paragraph (2), nothing in this chapter may be interpreted to preempt, prohibit, or encourage State regulations issued pursuant to State law which are not inconsistent with the provisions of this chapter, regulations promulgated under this chapter, or other applicable Federal statutes and regulations.

(2) State rules or policies may not limit local school districts' decisions regarding the grade levels to be served; the basic skills areas (such as reading, math, or language arts) to be addressed; instructional settings, materials or teaching techniques to be used; instructional staff to be employed (as long as such staff meet State certification and licensing requirements for education personnel); or other essential support services (such as counseling and other pupil personnel services) to be provided as part of the programs authorized under this chapter.

(b) REVIEW BY COMMITTEE OF PRACTITIONERS.—Before publication of any proposed or final State rule or regulation pursuant to this chapter, each such rule shall be reviewed by a State committee of practitioners which shall include administrators, teachers, parents, and members of local boards of education, and on which a majority of the members shall be local educational agency representatives. In an emergency situation where such regulation must be issued within a very limited time to assist local educational agencies with the operation of the program, the State educational agency may issue a regulation without such prior consultation, but shall immediately thereafter convene a State committee of practitioners to review the emergency regulation prior to issuance in final form.

(c) IDENTIFICATION AS STATE REQUIREMENT.—The imposition of any State rule or policy relating to the administration and operation of programs funded by this chapter (including those based on State interpretation of any Federal law, regulation, or guideline) shall be identified as a State imposed requirement.

SEC. 1452. RECORDS AND INFORMATION.

Each State educational agency shall keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this chapter).

SEC. 1453. ASSIGNMENT OF PERSONNEL.

(a) LIMITATIONS.—Public school personnel paid entirely by funds made available under this chapter may be assigned limited supervisory duties which are assigned to similarly situated personnel who are not paid with such funds, and such duties need not be limited to classroom instruction or to the benefit of children participating in programs or projects funded under this chapter. Such duties may not exceed the same proportion of total time as prevails with respect to similarly situated personnel at the same school site except that such time may not exceed one period per day.

(b) USE IN STATE PROGRAMS.—If a State carries out a program as defined under section 1018(d), the State may use funds under this chapter to pay salaries of personnel assigned to both the State program and the program under this chapter for administration, training, and technical assistance, if the State educational agency maintains time distribution records reflecting the actual amount of time spent by each such employee signed by that employee's supervisor, and costs are charged on a prorated basis to both programs.

Subpart 3—Studies

SEC. 1461. NATIONAL STUDY ON EFFECT OF PROGRAMS ON CHILDREN.

(a) NATIONAL LONGITUDINAL STUDY.—The Secretary shall contract with a qualified organization or agency to conduct a national longitudinal study of eligible children

participating in programs under this chapter. The study shall assess the impact of participation by such children in chapter 1 programs until they are 18 years of age. The study shall compare educational achievement of those children with significant participation in chapter 1 programs and comparable children who did not receive chapter 1 services. Such study shall consider the correlations between participation in programs under this chapter and academic achievement, delinquency rates, truancy, pregnancy rates, school dropout rates, employment and earnings, enrollment in and completion of postsecondary education, and incidence of suicide. The study shall be conducted throughout the country in urban, rural, and suburban areas and shall be of sufficient size and scope to assess and evaluate the effect of the program in all geographic areas of the Nation.

(b) FOLLOW-UP.—The agency or organization with which the Secretary has entered a contract under subsection (a) shall conduct a follow-up of the initial survey which shall include a periodic update on the participation and achievement of a representative group of children who participated in the initial study. Such follow-up shall evaluate the effects of participation until such children are 25 years of age.

(c) REPORT.—A final report summarizing the findings of the study shall be submitted to the appropriate committees

of the Congress not later than January 1, 1997; an interim report shall be so submitted not later than January 1, 1993.

SEC. 1462. STUDY OF FUND DISTRIBUTION.

The Secretary shall conduct a study concerning the methods used for the allocation of funds among the States in the various programs of financial assistance to elementary and secondary education administered by the Department of Education. The study shall consider whether States and local school districts should be rewarded for making greater tax and fiscal efforts in support of general elementary and secondary education through adjustment of allocations under the various Federal financial assistance programs. The study shall investigate various methods of defining tax and fiscal efforts. Such study may consider other issues relating to the allocation of funds, such as the reliability and currency of poverty data used for purposes of chapter 1 program allocations. The Secretary shall submit an interim report of such study on June 30, 1990, and shall submit a final report of such study not later than June 30, 1991.

SEC. 1463. STUDY OF STATE OPERATED PROGRAM FOR HANDICAPPED CHILDREN.

(a) STUDY REQUIRED.—(1) The Comptroller General of the United States shall conduct a study of the State Operated Program for Handicapped Children under chapter 1.

(2) Not later than January 30, 1989, the Comptroller General shall prepare and submit a report containing the findings of such study to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives.

(3) For the purpose of this section, the term "children" includes infants and toddlers.

(b) STUDY COMPONENTS.—The study shall include—

(1) a description of State and local agencies that participate in the program, the children the agencies serve, and the programs for which the agencies use funds;

(2) how such program is administered by the State educational agency or any predecessor agencies serving as fiscal agents for the States;

(3) the major policies, procedures and practices pertaining to the determination of when a child is considered eligible to be counted under such program; the allocation of funds to agencies, schools, programs and projects within schools; the supplementary nature of the services provided; and authorized use of funds;

(4) the policies and procedures governing the placement of handicapped children, including local educational agency transfer children, in schools and

programs and projects receiving assistance under chapter 1;

(5) the relationship between the chapter 1 program and parts B and H of the Education of the Handicapped Act (conceptual relationship; comparison of how the two programs are administered by the State educational agency; and a comparison between the programs with respect to the extent to which handicapped children receive a free appropriate public education and such children and their parents are provided the rights and procedural safeguards guaranteed under part B of the Education of the Handicapped Act); and

(6) such other information as the Comptroller General considers appropriate.

(c) FINDINGS AND RECOMMENDATIONS.—The Comptroller General shall include in the report the findings based on the study, a State-by-State analysis for the States subject to the study, together with such recommendations, including recommendations for legislation, as the Comptroller General deems appropriate.

SEC. 1464. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $4,000,000 for fiscal year 1989; $4,200,000 for fiscal year 1990; $4,400,000 for fiscal year 1991; $4,700,000 for fiscal year

1992; and $5,000,000 for fiscal year 1993 for carrying out sections 1461 and 1462.

Subpart 4—Definitions

SEC. 1471. DEFINITIONS.

Except as otherwise provided, for purposes of this Act:

(1) The term "average daily attendance" means attendance determined in accordance with State law, except that notwithstanding any other provision of this chapter, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this chapter the attendance of such child at such school shall be held and considered (A) to be in attendance at a school of the local educational agency so making or contracting to make such tuition payment, and (B) not to be in attendance at a school of the local educational agency receiving such tuition payment or entitled to receive such payment under the contract.

(2) The term "average per pupil expenditure" means in the case of a State or the United States, the aggregate current expenditures, during the third fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year are

not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available), of all local educational agencies in the State, or in the United States (which for the purposes of this subsection means the 50 States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

(3) The term "Secretary" means the United States Secretary of Education.

(4) The term "construction" includes the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(5) The term "county" means those divisions of a State utilized by the Secretary of Commerce in compiling and reporting data regarding counties.

(6) The term "current expenditures" means expenditures for free public education, including expendi-

tures for administration, instruction, attendance, and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds granted under this chapter, chapter 2, or chapter 2 of the Education Consolidation and Improvement Act.

(7) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law, and the term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(8) The term "equipment" includes machinery, utilities, and building equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, and books, periodicals, documents, and other related materials.

(9) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education provided beyond grade 12.

(10) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(11) The term "parent" includes a legal guardian or other person standing in loco parentis.

(12) The term "project area" means a school attendance area having a high concentration of children from low-income families which, without regard to the

locality of the project itself, is designated as an area from which children are to be selected to participate in a program or project assisted under this chapter.

(13) The term "school attendance area" means in relation to a particular school, the geographical area in which the children who are normally served by that school reside.

(14) The term "school facilities" means classrooms and related facilities (including initial equipment) for free public education and interests in land (including site, grading, and improvements) on which such facilities are constructed, except that such term does not include those gymnasiums and similar facilities intended primarily for exhibitions for which admission is to be charged to the general public.

(15) The term "State" means a State, Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(16) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(17) The terms "pupil services personnel" and "pupil services" mean school counselors, school social

workers, school psychologists, and other qualified professional personnel involved in providing assessment, diagnosis, counseling, educational, therapeutic, and other necessary services as part of a comprehensive program to meet student needs, and the services provided by such individuals.

(18) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(19) The term "parent advisory council" means a body composed primarily of members who are parents of children served by the programs or projects assisted under this chapter and who are elected by such parents, in order to advise the State or local educational agency in the planning, implementation, and evaluation of programs under this chapter.

(20) The term "more advanced skills" means skills including reasoning, analysis, interpretation, problem-solving, and decisionmaking as they relate to the particular subjects in which instruction is provided under programs supported by this chapter.

(21) The term "community-based organization" means a private nonprofit organization which is representative of a community or significant segments of a

community and which provides educational or related services to individuals in the community.

Subpart 5—Miscellaneous Provisions

SEC. 1491. REPEAL OF OTHER ACTS.

(a) EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981.—Chapter 1 of the Education Consolidation and Improvement Act of 1981 is repealed.

(b) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Title I of the Elementary and Secondary Education Act of 1965 is repealed.

SEC. 1492. TRANSITION PROVISIONS.

(a) REGULATIONS.—All orders, determinations, rules, regulations, permits, grants, and contracts, which have been issued under chapter 1 of the Education Consolidation and Improvement Act of 1981 and title I of the Elementary and Secondary Education Act of 1965 (as in effect on the date before the effective date of this Act), or which are issued under such Acts on or before the effective date of this Act shall continue in effect until modified or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law other than this Act.

(b) EFFECT ON PENDING PROCEEDINGS.—The provisions of this chapter shall not affect administrative or judicial proceedings pending on the effective date of this Act under chapter 1 of the Education Consolidation and Improvement

164

Act of 1981 or title I of the Elementary and Secondary Education Act of 1965.

(c) TRANSITION.—With respect to the period beginning on October 1, 1988, and ending June 30, 1989, no recipient of funds under chapter 1 or under chapter 2 of title I of this Act, or the Education Consolidation and Improvement Act of 1981 shall be held to have expended such funds in violation of the requirements of this Act or of such Act if such funds are expended either in accordance with this Act or such Act.

CHAPTER 2—PROGRAMS FOR ELEMENTARY AND SECONDARY EDUCATION IMPROVEMENT

SEC. 1501. STATEMENT OF PURPOSE.

(a) GENERAL PURPOSE.—It is the purpose of this chapter to provide a single authorization of grants to States to be used in accordance with the educational needs and priorities of State and local educational agencies in the critical areas of—

(1) programs to meet the special educational needs of at risk and high cost students, including programs for—

(A) potential student dropouts,

(B) economically and educationally disadvantaged students,

(C) bringing students together from different social, economic, ethnic, and racial backgrounds,

(D) students with limited English proficiency,

(E) students with handicaps, and

(F) early childhood education for children, especially for children who are from economically disadvantaged backgrounds, including children with handicaps;

(2) basic skills instruction for economically and educationally disadvantaged secondary school students, and literacy instruction;

(3) instructional programs for gifted and talented students;

(4) acquisition of library materials and resources;

(5) programs for school reforms, innovations and improvement, and training and professional development programs for educational personnel; and

(6) programs in personal excellence and student achievement.

(b) STATE AND LOCAL RESPONSIBILITY.—The basic responsibility for the administration of funds made available under this chapter is in the State educational agencies, but it is the intent of Congress that this responsibility be carried out with a minimum of paperwork and that the responsibility

for the design and implementation of programs assisted under the chapter will be mainly that of local educational agencies, school superintendents and principals, and classroom teachers and supporting personnel, because they have the most direct contact with students and are most directly responsible to parents and because they are the most likely to be able to design programs to meet the educational needs of students in their own districts.

SEC. 1502. AUTHORIZATION OF APPROPRIATIONS; DURATION OF ASSISTANCE.

(a) AUTHORIZATION.—There are authorized to be appropriated $580,000,000 for fiscal year 1989, $610,000,000 for fiscal year 1990, $640,000,000 for fiscal year 1991, $672,000,000 for fiscal year 1992, and $706,000,000 for fiscal year 1993, to carry out the provisions of this chapter.

(b) DURATION OF ASSISTANCE.—During the period beginning October 1, 1989, and ending September 30, 1993, the Secretary shall, in accordance with the provisions of this chapter, make payments to State educational agencies for the purpose of this chapter.

PART A—STATE AND LOCAL PROGRAMS

SEC. 1511. ALLOTMENT TO STATES.

(a) RESERVATIONS.—(1) From the sums appropriated to carry out this chapter in any fiscal year, the Secretary shall reserve not to exceed 1 per centum for payments to

Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs.

(2) The Secretary shall reserve an additional amount, not to exceed 6 per centum of the sums appropriated in each fiscal year, to carry out the provisions of part C.

(b) ALLOTMENT.—From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than an amount equal to 0.5 per centum of such remainder.

(c) DEFINITIONS.—For purposes of this section—

(1) The term "school-age population" means the population aged 5 through 17.

(2) The term "States" includes the 50 States, the District of Columbia, and Puerto Rico.

SEC. 1512. STATE APPLICATIONS.

(a) CONTENTS OF APPLICATION.—Any State which desires to receive grants under this chapter shall file an application with the Secretary which—

(1) designates the State educational agency as the State agency responsible for the administration and supervision of programs assisted under this chapter;

(2) provides for a process of active and continuing consultation with the State educational agency of an advisory committee, appointed by the Governor and determined by the Governor to be broadly representative of the educational interests and the general public in the State, including individuals representative of—

(A) public and private elementary and secondary school children;

(B) classroom teachers;

(C) parents of elementary and secondary school children;

(D) local boards of education;

(E) local and regional school administrators (including principals, superintendents, and administrators of intermediate regional units);

(F) institutions of higher education;

(G) the State legislature; and

(H) elementary and secondary school librarians;

to advise the State educational agency on the allocation among targeted programs (not to exceed 20 per centum of the amount of the State's allotment) reserved for State use under section 1513(a), on the formula for the allocation of funds to local educational agencies, and on the planning, development, support, implementation, *and evaluation of State programs assisted under this chapter;*

(3)(A) sets forth the planned allocation of funds reserved for State use under section 1513(a) among the targeted assistance programs described in section 1531 and describe programs, projects, and activities which are designed to carry out such targeted assistance, together with the reasons for the selection of such programs, projects, and activities; and

(B) sets forth the allocation of such funds required to implement section 1572, including administrative costs of carrying out the responsibilities of the State educational agency under this chapter;

(4) provides for timely public notice and public dissemination of the information provided pursuant to paragraphs (2) and (3);

(5) in fiscal year 1992, provides for an evaluation of the effectiveness of programs assisted under this chapter, which shall include comments of the advisory committee, and shall be made available to the public;

(6) provides that the State educational agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this chapter);

(7) provides assurance that, apart from technical and advisory assistance and monitoring compliance with this chapter, the State educational agency has exercised and will exercise no influence in the decision-making processes of local educational agencies as to the expenditures made pursuant to its application under section 1514; and

(8) contains assurances that there is compliance with the specific requirements of this chapter.

(b) PERIOD OF APPLICATION.—An application filed by the State under subsection (a) shall be for a period not to exceed 3 fiscal years, and may be amended annually as may be necessary to reflect changes without filing a new application.

(c) AUDIT RULE.—Notwithstanding section 1745 of the Omnibus Budget Reconciliation Act of 1981, local educational agencies receiving less than an average $5,000 each year under this chapter need not be audited more frequently than once every 5 years.

SEC. 1513. ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

(a) DISTRIBUTION RULE.—From the sum made available each year under section 1511, the State educational agency shall distribute not less than 80 per centum to local educational agencies within such State according to the relative enrollments in public and private, nonprofit schools

within the school districts of such agencies, adjusted, in accordance with criteria approved by the Secretary, to provide higher per pupil allocations to local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as—

(1) children from low-income families,

(2) children living in economically depressed urban and rural areas, and

(3) children living in sparsely populated areas.

(b) CALCULATION OF ENROLLMENTS.—The calculation of relative enrollments under subsection (a) shall be on the basis of the total number of (A) the number of children enrolled in public elementary and secondary schools, and (B) the number of children enrolled in private nonprofit elementary and secondary schools that desire their children to participate in the programs and projects assisted under this chapter.

(c) ADJUSTMENT CRITERIA.—The Secretary shall approve criteria suggested by the State educational agency for adjusting allocations under subsection (a) if such criteria are reasonably calculated to produce an equitable distribution of funds with reference to the factors set forth in subsection (a).

(d) AMOUNT OF DISTRIBUTION.—From the funds paid to it pursuant to section 1511 during each fiscal year, the

State educational agency shall distribute to each local educational agency which has submitted an application as required in section 1514 the amount of its allocation as determined under subsection (a).

SEC. 1514. LOCAL APPLICATIONS.

(a) CONTENTS OF APPLICATION.—A local educational agency, or consortia of local educational agencies, may receive its allocation of funds under this chapter for any year for which its application to the State educational agency has been certified to meet the requirements of this subsection. The State educational agency shall certify any such application if such application—

(1)(A) sets forth the planned allocation of funds among targeted assistance programs described in section 1531 of this chapter and describes the programs, projects, and activities designed to carry out such targeted assistance which it intends to support, together with the reasons for the selection of such programs, projects, and activities; and

(B) sets forth the allocation of such funds required to implement section 1572;

(2) describe how assistance under this chapter will contribute to the goals of the program of improving student achievement or improving the quality of education for students;

(3) provides assurances of compliance with provisions of this chapter relating to the assistance furnished under this chapter, including the participation of children enrolled in private, nonprofit schools in accordance with section 1572;

(4) agrees to keep such records, and provide such information to the State educational agency as reasonably may be required for fiscal audit and program evaluation, consistent with the responsibilities of the State agency under this chapter; and

(5) provides, in the allocation of funds for the assistance authorized by this chapter, and in the design, planning, and implementation of such programs, for systematic consultation with parents of children attending elementary and secondary schools in the area served by the local agency, with teachers and administrative personnel in such schools, and with other groups as may be deemed appropriate by the local educational agency.

(b) PERIOD OF APPLICATION.—An application filed by a local educational agency under subsection (a) shall be for a period not to exceed 3 fiscal years, may provide for the allocation of funds among programs and purposes authorized by this chapter for a period of 3 years, and may be amended

annually as may be necessary to reflect changes without filing a new application.

(c) Local Educational Agency Discretion.—Each local educational agency shall have complete discretion, subject only to the provisions of this chapter, in determining how funds the agency receives under this section shall be divided among the targeted assistance set forth in part B of this chapter in accordance with the application submitted under this section. In exercising such discretion, it shall be the responsibility of each local educational agency to ensure that each expenditure of funds under this chapter is for the purpose of meeting the educational needs within the schools of that local educational agency.

PART B—TARGETED ASSISTANCE FOR EDUCATIONAL IMPROVEMENT

SEC. 1531. TARGETED USE OF FUNDS.

(a) General Rule.—Funds allocated for use under this chapter shall be used by State and local educational agencies only for targeted assistance described in subsection (b).

(b) Targeted Assistance.—The targeted assistance programs referred to in subsection (a) are—

(1) programs designed to meet the special educational needs of students at risk and high cost students,

(2) programs designed to improve the basic skills instruction for economically and educationally disadvantaged secondary school students and programs designed to reduce the number of students and adults who are illiterate;

(3) programs which expand and improve programs to identify and educate gifted and talented students, particularly students who may not be identified through traditional assessment methods (including economically disadvantaged individuals, individuals with limited English proficiency, and individuals with handicaps);

(4) programs designed to expand and improve student dropout prevention programs, particularly early intervention projects designed to prevent students from dropping out and to facilitate the reentry of students who have dropped out of school;

(5) programs which increase the parental involvement in the education of children who receive assistance under chapter 1 of this Act, as well as other economically disadvantaged students, and which enhance the literacy of such parents by integrating early childhood education and adult education into unified programs;

(6) programs which increase the availability and quality of early childhood education programs, especially for children who are from economically and educationally disadvantaged backgrounds, including children with handicaps;

(7) programs which provide for the enrichment of secondary school curricula, including junior high and middle schools, particularly new methods and approaches to teaching, the use of stated achievement goals for students, and the continuous monitoring of the progress of students, the strengthening of course work and requirements in mathematics, the physical sciences, and foreign languages;

(8) the acquisition and use of school library books, textbooks, and other printed materials and resources, including—

(A) school library books and textbooks for use of children and teachers in public and private elementary and secondary schools which are used for instructional purposes only;

(B) instructional materials and equipment and other printed materials suitable for use in providing elementary and secondary education in academic subjects for use by students and teachers in public and private elementary and secondary

schools which shall be used for instructional purposes only; and

(C) educational materials accessible through video technology, including videotape and laser disc resources;

(9) innovative programs designed to carry out schoolwide reforms, innovations, and improvements and innovative programs for training and professional development for educational personnel in elementary and secondary schools of the agency;

(10) programs designed to enhance personal excellence of students and student achievement, including instruction in ethics, performing and creative arts, and humanities, activities in physical fitness and health, and participation in community service projects; and

(11) programs which implement educational reforms adopted by the State.

SEC. 1532. AUTHORIZED ACTIVITIES.

(a) IN GENERAL.—Activities authorized under this part may include the planning, development, or operation and expansion of programs, projects, and activities which are designed to carry out the targeted assistance described in section 1531. Such activities may also include—

(1) training of educational personnel in any of the targeted assistance programs described;

(2) guidance and counseling services; and

(3) any other education or related activities which the State or local educational agency determines will contribute to expanding educational opportunities of the students or improving the programs described in section 1531.

(b) ADMINISTRATIVE AUTHORITY.—In order to conduct the activities authorized by this part, each State or local educational agency may use funds reserved for this part to make grants to and to enter into contracts with local educational agencies, institutions of higher education, libraries, museums, and other public and private agencies, organizations, and institutions.

PART C—NATIONAL PROGRAMS AND ACTIVITIES

SEC. 1561. GENERAL AUTHORITY.

(a) AUTHORIZATION.—From funds reserved under section 1511(a)(2), the Secretary is authorized to carry out the programs and activities under this part.

(b) PRIORITY FUNDING.—Subject to the availability of funds for any fiscal year for this part, the Secretary shall make available—

(1) not less than $11,200,000 for National Diffusion Network Activities under section 1562;

(2) not less than $8,200,000 for the Inexpensive Book Distribution program under section 1563;

(3) not less than $3,500,000 for the Arts in Education program under section 1564;

(4) not less than $3,200,000 for the Law-related Education program under section 1565; and

(5) not less than $1,500,000 for the Blue Ribbon Schools program under section 1566.

SEC. 1562. NATIONAL DIFFUSION NETWORK ACTIVITIES.

(a) PURPOSES.—The National Diffusion Network shall be a national program that recognizes and furthers excellence in education by—

(1) promoting the awareness and implementation of exemplary educational programs, products, and practices to interested elementary, secondary, and postsecondary institutions throughout the Nation; and

(2) promoting the utilization of the knowledge, talents, and services of local staff associated with various educational excellence recognition efforts.

The National Diffusion Network shall be designed to improve the quality of education through the implementation of promising and validated innovations and improvements in educational programs, products, and practices, and through the provision of training, consultation, and related assistance services.

(b) RESPONSIBILITIES OF SECRETARY.—In carrying out the activities under this section, which shall be limited to

activities directly related to the National Diffusion Network, the Secretary shall—

(1) acquaint persons responsible for the operation of elementary, secondary, and postsecondary schools with information about exemplary educational programs, products, practices, and services;

(2) assist such persons in implementing programs, products, and practices, which such persons determine may improve the quality of education in the schools for which they are responsible by providing materials, initial training, and ongoing implementation assistance;

(3) ensure that all such activities, programs, products, and practices are subjected to rigorous evaluation with respect to their effectiveness and their capacity for implementation;

(4) provide program development assistance toward the recognition, dissemination, and implementation of promising practices that hold the potential for answering critical needs and that have achieved credibility because of their effective use in schools; and

(5) ensure that a substantial percentage of the innovations disseminated represent significant changes in practice for schools and teachers.

(c) ELIGIBLE RECIPIENTS OF GRANTS AND CONTRACTS.—For the purpose of carrying out the activities

under this section, the Secretary is authorized to make grants to, and contracts with, local educational agencies, State educational agencies, institutions of higher education, and other public and private educational institutions and organizations.

SEC. 1563. INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION.

(a) AUTHORIZATION.—The Secretary is authorized (1) to enter into a contract with Reading is Fundamental (RIF) (hereinafter in this section referred to as the "contractor"), a private nonprofit organization which has as its primary purpose the motivation of children to learn to read, to support and promote the establishment of reading motivation programs which include the distribution of inexpensive books to students, and (2) to pay the Federal share of the cost of such programs.

(b) REQUIREMENTS OF CONTRACT.—The contract shall provide that—

(1) the contractor will enter into subcontracts with local private nonprofit groups or organizations or with public agencies (hereinafter referred to as "subcontractors") under which the subcontractors will agree to establish, operate, and provide the non-Federal share of the cost of reading motivational programs which in-

182

clude the distribution of books by gift or loan, to preschool and elementary and secondary school children;

(2) funds made available by the Secretary to a contractor pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating reading motivational programs as provided in paragraph (1); and

(3) the contractor will meet such other conditions and standards as the Secretary determines to be necessary to assure the effectiveness of the programs authorized by this section and will provide such technical assistance as may be necessary to carry out the purposes of this section.

(c) Restriction on Payments.—The Secretary shall make no payment of the Federal share of the cost of acquiring and distributing books pursuant to a contract authorized by this section unless the Secretary determines that the contractor or subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

(d) Definitions.—For purposes of this section the term "Federal share" means—

(1) with respect to the cost of books purchased by a subcontractor for a program in a locality for distribution of such books to children in that locality, 75 percent of the cost to such subcontractor; or

(2) with respect to the cost of books purchased by a subcontractor for a program of distribution of books to children of migrant or seasonal farmworkers, 100 percent of the cost to such subcontractor for such books.

SEC. 1564. ARTS IN EDUCATION PROGRAM.

The Secretary shall carry out a program of grants and contracts to encourage and assist State and local educational agencies and other public and private agencies, organizations, and institutions to establish and conduct programs in which the arts are an integral part of elementary and secondary school curricula such as—

(1) programs with public and private cultural organizations, agencies, and institutions, including museums, libraries, and theaters;

(2) a program to develop and implement model projects and programs in the performing arts for children and youth, through arrangements made with the John F. Kennedy Center for the Performing Arts; and

(3) a program for the identification, development and implementation of model programs and projects in

the arts for individuals with handicaps through arrangements with the organization, Very Special Arts.

SEC. 1565. LAW-RELATED EDUCATION PROGRAM.

(a) AUTHORIZATION.—The Secretary shall carry out a program of grants and contracts to encourage State and local educational agencies and other public and private nonprofit agencies, organizations, and institutions to provide law-related education programs.

(b) DEFINITION.—For the purpose of this section, the term "law-related education" means education to equip nonlawyers with knowledge and skills pertaining to the law, the legal process, the legal system, and the fundamental principles and values on which they are based.

(c) AUTHORIZED ACTIVITIES.—Funds made available for the purposes of this section may be available for activities such as—

(1) awareness activities, to provide educators, law-related personnel, and the public with an understanding of what law-related education is;

(2) support for new and ongoing programs in elementary and secondary schools, adult education, community organizations, and institutions of higher education, to provide law-related education, to develop materials and methods, to conduct pilot and demonstration

projects, and to disseminate the products of such activities;

(3) clearinghouse and technical assistance, to collect and provide information and assistance to institutions, groups, agencies, organizations, and individuals to aid in establishing, improving, and expanding law-related education activities;

(4) training for law-related personnel in the substance and practice of law-related education, including preservice and inservice seminars, workshops, institutes, and courses;

(5) research and evaluation to study and improve the effectiveness of materials and methods in law-related education;

(6) involvement of law-related organizations, agencies, and personnel, such as lawyers, law schools, law students, and law enforcement personnel in the provision of law-related education activities; and

(7) youth internships for outside-the-classroom experiences with the law and the legal system.

SEC. 1566. BLUE RIBBON SCHOOLS PROGRAM.

(a) GENERAL AUTHORITY.—The Secretary is authorized to carry out programs to recognize elementary and secondary schools or programs which have established standards of excellence and which have demonstrated a high level of

quality. Such programs shall be designated as "Blue Ribbon Schools". In selecting schools and programs to be recognized, the Secretary shall competitively select public and private schools or programs within local educational agencies in the States.

(b) SELECTION PROCESS.—(1) The Secretary shall designate, each fiscal year, a category for a Blue Ribbon Schools program. Such categories may include, but shall not be limited to, outstanding elementary schools, outstanding secondary schools, outstanding mathematics and science programs, or outstanding reading programs.

(2) Within each category, the Secretary shall determine the criteria and procedures for selection. Selection for such awards shall be based solely on merit. Schools or programs selected for awards under this section shall not be required to be representative of the States.

(c) ADMINISTRATIVE PROVISIONS.—(1) The Secretary shall carry out the provisions of this section including the establishment of the selection procedures, after consultation with appropriate outside parties.

(2) No award may be made under this section unless the local educational agency submits an application to the Secretary at such time, in such manner, and conforming such information, as the Secretary may reasonably require.

(3) For the purposes of this section, the term "State" means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1567. SECRETARY'S DISCRETIONARY FUND.

(a) GENERAL AUTHORITY.—From funds available for this part, the Secretary is authorized to carry out programs and projects which contribute to carrying out the purposes specified in section 1532 and shall give priority consideration to projects of technology education. Any such projects or programs shall have the goals of identifying and disseminating innovative educational approaches, facilitating program improvement from a national perspective, or meeting urgent national needs within the categories identified in section 1532.

(b) ADMINISTRATIVE AUTHORITY.—The Secretary is authorized to carry out programs and projects under this section directly, or through grants to or contracts with State and local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions.

PART D—GENERAL PROVISIONS

SEC. 1571. MAINTENANCE OF EFFORT; FEDERAL FUNDS SUPPLEMENTARY.

(a) MAINTENANCE OF EFFORT.—(1) Except as provided in paragraph (2), a State is entitled to receive its full

188

allocation of funds under this chapter for any fiscal year if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures within the State with respect to the provision of free public education for the preceding fiscal year was not less than 90 per centum of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

(2) The Secretary shall reduce the amount of the allocation of funds under this chapter in any fiscal year in the exact proportion to which the State fails to meet the requirements of paragraph (1) by falling below 90 per centum of both the fiscal effort per student and aggregate expenditures (using the measure most favorable to the State), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

(3) The Secretary may waive, for one fiscal year only, the requirements of this subsection if he determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

(b) FEDERAL FUNDS SUPPLEMENTARY.—A State or local educational agency may use and allocate funds received under this chapter only so as to supplement and, to the extent practical, increase the level of funds that would, in the ab-

sence of Federal funds made available under this chapter, be made available from non-Federal sources, and in no case may such funds be used so as to supplant funds from non-Federal sources.

SEC. 1572. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

(a) PARTICIPATION ON EQUITABLE BASIS.—(1) To the extent consistent with the number of children in the school district of a local educational agency which is eligible to receive funds under this chapter or which serves the area in which a program or project assisted under this chapter is located who are enrolled in private nonprofit elementary and secondary schools, or with respect to instructional or personnel training programs funded by the State educational agency from funds reserved for State use, such agency after consultation with appropriate private school officials, shall provide for the benefit of such children in such schools secular, neutral, and nonideological services, materials, and equipment including the participation of the teachers of such children (and other educational personnel serving such children) in training programs, and the repair, minor remodeling, or construction of public facilities as may be necessary for their provision (consistent with subsection (c) of this section), or, if such services, materials, and equipment are not feasible or necessary in one or more such private schools as

determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this chapter.

(2) If no program or project is carried out under subsection (a)(1) of this section in the school district of a local educational agency, the State educational agency shall make arrangements, such as through contracts with nonprofit agencies or organizations, under which children in private schools in that district are provided with services and materials to the extent that would have occurred if the local educational agency had received funds under this chapter.

(3) The requirements of this section relating to the participation of children, teachers, and other personnel serving such children shall apply to programs and projects carried out under this chapter by a State or local educational agency, whether directly or through grants to or contracts with other public or private agencies, institutions, or organizations.

(b) EQUAL EXPENDITURES.—Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs under this chapter for children enrolled in the public schools of the local educational agency, taking into account the needs of the individual children and other factors

which relate to such expenditures, and when funds available to a local educational agency under this chapter are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance area, or grade or age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.

(c) FUNDS.—(1) The control of funds provided under this chapter, and title to materials, equipment, and property repaired, remodeled, or constructed therewith, shall be in a public agency for the uses and purposes provided in this chapter, and a public agency shall administer such funds and property.

(2) The provision of services pursuant to this section shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which, in the provision of such services, is independent of such private school and of any religious organizations, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this chapter shall not be commingled with State or local funds.

(d) STATE PROHIBITION WAIVER.—If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by this section, the Secretary shall waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

(e) WAIVER AND PROVISION OF SERVICES.—(1) If the Secretary determines that a State or a local educational agency has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by this section, the Secretary may waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

(2) Pending final resolution of any investigation or complaint that could result in a determination under this subsection or subsection (d), the Secretary may withhold from the allocation of the affected State or local educational agency the amount he estimated would be necessary to pay the cost of those services.

(f) DETERMINATION.—Any determination by the Secretary under this section shall continue in effect until the

Secretary determines that there will no longer be any failure or inability on the part of the State or local educational agency to meet the requirements of subsections (a) and (b).

(g) PAYMENT FROM STATE ALLOTMENT.—When the Secretary arranges for services pursuant to this section, the Secretary shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allotment of the State under this chapter.

(h) REVIEW.—(1) The Secretary shall not take any final action under this section until the State educational agency and the local educational agency affected by such action have had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or the Secretary's designee to show cause why that action should not be taken.

(2) If a State or local educational agency is dissatisfied with the Secretary's final action after a proceeding under paragraph (1) of this subsection, it may within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the

record of the proceedings on which he based this action, as provided in section 2112 of title 28, United States Code.

(3) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence and the Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(4) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(i) PRIOR DETERMINATION.—Any bypass determination by the Secretary under chapter 2 of the Education Consolidation and Improvement Act of 1981 shall to the extent consistent with the purposes of this chapter apply to programs under this chapter.

SEC. 1573. EVALUATIONS AND REPORTING.

(a) LOCAL EDUCATIONAL AGENCIES.—A local educational agency which receives financial assistance under this

chapter shall report annually to the State educational agency on the use of funds under section 1532. Such reporting shall be carried out in a manner which minimizes the amount of paperwork required while providing the State educational agency with the necessary information under the preceding sentence. Such report shall be made available to the public.

(b) State Educational Agencies.—A State educational agency which receives financial assistance under this chapter shall annually evaluate the effectiveness of State and local programs under this chapter. Such evaluations shall be submitted for review and comment by the State advisory committee and shall be made available to the public. The State educational agency shall submit to the Secretary a copy of such evaluations and a summary of the reports under subsection (a).

(c) Reports.—(1) The Secretary, in consultation with State and local educational agency representatives, shall develop a model system which State educational agencies may use for data collection and reporting under this chapter.

(2) The Secretary shall not later than October 1992 submit a report to the Congress summarizing evaluations under subsection (b) in order to provide a national overview of the uses of funds and effectiveness of programs under this chapter.

SEC. 1574. FEDERAL ADMINISTRATION.

(a) TECHNICAL ASSISTANCE.—The Secretary, upon request, shall provide technical assistance to State and local educational agencies under this chapter.

(b) RULEMAKING.—The Secretary shall issue regulations under this chapter only to the extent that such regulations are necessary to ensure that there is compliance with the specific requirements and assurances required by this chapter.

SEC. 1575. REPEAL OF CHAPTERS 2 AND 3 OF THE EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981.

Chapters 2 and 3 of the Education Consolidation and Improvement Act of 1981 are repealed.

SEC. 1576. TRANSITION PROVISIONS.

(a) REGULATIONS.—All orders, determinations, rules, regulations, permits, grants, and contracts, which have been issued under chapters 2 and 3 of the Education Consolidation and Improvement Act of 1981 (as in effect on the date before the effective date of this Act), or which are issued under such Act on or before the effective date of this Act shall continue in effect until modified or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law other than this Act.

(b) EFFECT ON PENDING PROCEEDINGS.—The provisions of this chapter shall not affect administrative or judicial

proceedings pending on the effective date of this Act under chapters 2 and 3 of the Education Consolidation and Improvement Act of 1981.

(c) TRANSITION.—With respect to the period beginning October 1, 1988, and ending June 30, 1989, no recipient of funds under this Act or chapter 2 of the Education Consolidation and Improvement Act of 1981 shall be held to have expended such funds in violation of the requirements of this Act or of such Act if such funds are expended in accordance with this Act or such Act.

TITLE II—SPECIAL PROGRAMS FOR INNOVATION IN EDUCATION

PART A—EVEN START

SEC. 2001. SHORT TITLE.

This part may be cited as the "Even Start Act".

SEC. 2002. STATEMENT OF PURPOSE.

It is the purpose of this part to improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program to be referred to as "Even Start", to be implemented through cooperative projects that build on existing community resources.

SEC. 2003. PROGRAM AUTHORIZED.

The Secretary is authorized, in accordance with the positions of this part, to make grants to local educational agen-

cies, or consortia of such agencies, to carry out even start programs.

SEC. 2004. USES OF FUNDS.

(a) IN GENERAL.—Funds made available to local educational agencies under this part, in collaboration with institutions of higher education, community-based organizations, the appropriate State educational agency, or other appropriate nonprofit organizations in carrying out the program under this part, shall be used to pay the Federal share of the cost of providing family-centered education programs which involve parents and children in a cooperative effort to help parents become full partners in the education of their children and to assist children in reaching their full potential as learners.

(b) PROGRAM ELEMENTS.—Each program assisted under this part shall include—

(1) the identification and recruitment of eligible children;

(2) screening and preparation of parents and children for participation, including testing, referral to necessary counseling, and related services;

(3) design of programs and provision of support services (when unavailable from other sources) appropriate to the participants' work and other responsibilities, including—

(A) scheduling and location of services to allow joint participation by parents and children;

(B) child care for the period that parents are involved in the program provided for under this part; and

(C) transportation for the purpose of enabling parents and their children to participate in the program authorized by this part;

(4) the establishment of instructional programs that promote adult literacy, training parents to support the educational growth of their children, and preparation of children for success in regular school programs;

(5) provision of special training to enable staff to develop the skills necessary to work with parents and young children in the full range of instructional services offered through this part (including child care staff in programs enrolling children of participants under this part on a space available basis);

(6) provision of and monitoring of integrated instructional services to participating parents and children through home-based programs; and

(7) coordination of programs assisted under this part with programs assisted under chapter 1 of title I, the Adult Education Act, the Education of the Handicapped Act, the Job Training Partnership Act, and

with the Head Start program, volunteer literacy programs, and other relevant programs.

(c) Federal Share Limitation.—The Federal share under this part may be—

(1) not more than 90 percent of the total cost of the program in the first year the local educational agency receives assistance under this part,

(2) 80 percent in the second such year,

(3) 70 percent in the third such year, and

(4) 60 percent in the fourth and any subsequent such year.

The non-Federal share may be obtained from any available non-Federal source.

SEC. 2005. ELIGIBLE PARTICIPANTS.

Eligible participants in a program assisted by a local educational agency under this part may be a parent and child from a family that includes—

(1) a parent who is eligible for participation in an adult basic education program under the Adult Education Act; and

(2) a child aged 1 to 7, inclusive, who resides in a school attendance area designated for participation in programs under chapter 1 of title I.

SEC. 2006. APPLICATIONS.

(a) APPLICATION REQUIRED.—To be eligible to receive a grant a local educational agency shall submit an application to the Secretary in such form and containing or accompanied by such information as the Secretary may require.

(b) CONTENTS OF APPLICATION.—Each such application shall include documentation that the local educational agency has the qualified personnel required—

(1) to develop, administer, and implement the program required by this part, and

(2) to provide special training necessary to prepare staff for the program.

(c) PLAN.—Each such application shall also include a plan of operation for the program which includes—

(1) a description of the program goals;

(2) a description of the activities and services which will be provided under the program (including training and preparation of staff);

(3) a description of the population to be served and an estimate of the number of participants;

(4) a description of the collaborative efforts of the institutions of higher education, community-based organizations, the appropriate State educational agency, private elementary schools, or other appropriate non-

profit organizations in carrying out the program for which assistance is sought;

(5) a statement of the methods which will be used—

(A) to ensure that the programs will serve those eligible participants most in need of the activities and services provided by this part;

(B) to provide services under this part to special populations, such as individuals with limited English proficiency and individuals with handicaps; and

(C) to encourage participants to remain in the programs for a time sufficient to meet program goals; and

(6) a description of the methods by which the applicant will coordinate programs under this chapter with programs under part A of this chapter, the Adult Education Act, the Job Training Partnership Act, and with Head Start programs, volunteer literacy programs, and other relevant programs.

SEC. 2007. APPROVAL OF APPLICATIONS; DURATION.

(a) APPROVAL OF APPLICATIONS.—In approving applications under this part, the Secretary shall give special consideration to proposals which—

(1) are most likely to be successful in meeting the purpose of this part;

(2) serve the greatest percentage of eligible children and parents as described in section 2005;

(3) demonstrate the greatest degree of cooperation and coordination in collaborative efforts among educational institutions and organizations as described in section 2006(b)(4);

(4) demonstrate the local educational agency's ability to provide the non-Federal share of the cost of the program as required by section 2004C(c); and

(5) show the greatest promise for providing models which may be transferred to other local educational agencies.

(b) EQUITABLE DISTRIBUTION OF ASSISTANCE.—In approving grants under this part the Secretary shall assure an equitable distribution of assistance between the States and among urban and rural areas of the United States.

(c) DURATION.—Grants may be awarded for a period not to exceed 4 years. In any application from a local educational agency for a grant to continue a project for the second, third, or fourth fiscal year following the first fiscal year in which a grant was awarded to such local educational agency, the Secretary shall review the progress being made toward meeting the objectives of the project. The Secretary may

refuse to award a grant if the Secretary finds that sufficient progress has not been made toward meeting such objectives, but only after affording the applicant notice and an opportunity for a hearing.

SEC. 2008. EVALUATION.

(a) INDEPENDENT EVALUATION.—The Secretary shall provide for an independent evaluation of a representative sample of programs under this part to determine their effectiveness in providing—

(1) services to special populations;

(2) adult education services;

(3) parent training;

(4) home-based programs involving parents and children;

(5) coordination with related services programs; and

(6) training of related personnel in appropriate skill areas.

(b) REPORT TO CONGRESS AND DISSEMINATION.—The Secretary shall prepare and submit to the Congress not later than October 1, 1992, a review and summary of the results of such evaluation. The evaluation shall be available for possible dissemination.

SEC. 2009. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $25,000,000 for fiscal year 1989, $26,500,000 for the fiscal year 1990, $27,500,000 for the fiscal year 1991, $29,000,000 for the fiscal year 1992, and $30,500,000 for the fiscal year 1993 to carry out the provisions of this part.

PART B—EFFECTIVE SCHOOLS

SEC. 2051. PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants to State and local educational agencies for the conduct of effective schools programs.

(b) APPLICATION REQUIRED.—(1) No grant may be made under this part unless the State or local educational agency submits an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(2) Whenever a State educational agency submits an application to the Secretary under paragraph (1), the State shall specify the local educational agencies within the State which the applicant intends to serve with assistance under this part.

SEC. 2052. USES OF FUNDS.

Funds paid under this part shall be available to—

(1) plan, implement, support, evaluate, and strengthen effective schools programs;

(2) plan and conduct training and other professional development activities for teachers, administrators and other education personnel on the implementation of effective schools programs;

(3) provide technical assistance and promote State and local educational agency awareness of effective schools research, model programs, and implementation;

(4) develop and implement systems to evaluate and analyze effective schools programs;

(5) improve parent and community involvement and participation as part of an ongoing effective schools program;

(6) support model and demonstration programs related to effective schools programs; and

(7) develop where such materials are commercially unavailable and disseminate educational materials related to effective schools programs.

SEC. 2053. EFFECTIVE SCHOOLS.

For the purposes of this part the term "effective schools programs" means school-based programs that may encompass preschool through secondary school levels and that have the objective of (1) promoting school-level planning, instructional improvement, and staff development, (2) increasing the academic achievement levels of all children and particularly educationally deprived children, and (3) achieving as ongoing *conditions in the school the following factors identified through effective schools research as distinguishing effective from ineffective schools:*

(A) strong and effective administrative and instructional leadership that creates consensus on instructional goals and organizational capacity for instructional problem solving;

(B) emphasis on the acquisition of basic and higher order skills;

(C) a safe and orderly school environment that allows teachers and pupils to focus their energies on academic achievement;

(D) a climate of expectation that virtually all children can learn under appropriate conditions; and

(E) continuous assessment of students and programs to evaluate the effects of instruction.

SEC. 2054. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $25,000,000 for the fiscal year 1989, $26,500,000 for the fiscal year 1990, $27,500,000 for the fiscal year 1991, $29,000,000 for the fiscal year 1992, and $30,500,000 for the fiscal year 1993, to carry out the provisions of this part.

PART C—WOMEN'S EDUCATIONAL EQUITY

SEC. 2101. SHORT TITLE; FINDINGS AND STATEMENT OF PURPOSE.

(a) SHORT TITLE.—This part may be cited as the "Women's Educational Equity Act".

(b) FINDINGS AND STATEMENT OF PURPOSE.—(1) The Congress finds and declares that educational programs in the United States, as presently conducted, are frequently inequitable as such programs relate to women and frequently limit the full participation of all individuals in American society. The Congress finds and declares that excellence in education cannot be achieved without equity for women and girls.

(2) It is the purpose of this part to provide educational equity for women in the United States and to provide financial assistance to enable educational agencies and institutions to meet the requirements of title IX of the Education Amendments of 1972. It is also the purpose of this part to provide educational equity for women and girls who suffer multiple discrimination, bias, or stereotyping based on sex and on race, ethnic origin, disability, or age.

SEC. 2102. PROGRAM AUTHORIZED.

(a) AUTHORIZATION.—The Secretary is authorized to make grants to, and enter into contracts with, public agencies, private nonprofit agencies, organizations, and institutions, including student and community groups, and individ-

uals, for activities designed to achieve the purpose of this part at all levels of education, including preschool, elementary and secondary education, higher education, and adult education. The activities may include—

(1) demonstration, developmental, and dissemination activities of national, statewide, or general significance, including—

(A) the development where such materials are commercially unavailable and evaluation of curricula, textbooks, and other educational materials related to educational equity;

(B) model preservice and inservice training programs for educational personnel with special emphasis on programs and activities designed to provide educational equity;

(C) research and development activities designed to advance educational equity;

(D) guidance and counseling activities, including the development of nondiscriminatory tests, designed to ensure educational equity;

(E) educational activities to increase opportunities for adult women, including continuing educational activities and programs for underemployed and unemployed women; and

(F) the expansion and improvement of educational programs and activities for women in vocational education, career education, physical education, and educational administration; and

(2) assistance to eligible entities to pay a portion of the costs of the establishment and operation, for a period of not to exceed 2 years, of special programs and projects of local significance to provide equal opportunities for both sexes, including activities listed in paragraph (1), activities incident to achieving compliance with title IX of the Education Amendments of 1972 and other special activities designed to achieve the purposes of this part.

Not less than 75 percent of funds used to support activities described by paragraph (2) shall be used for awards to local educational agencies. The Secretary shall ensure that at least 1 grant or contract is available during each fiscal year for the performance of each of the activities described in paragraph (1) of this subsection.

(b) LIMITATION.—For each fiscal year, the Secretary shall use $3,000,000 from the funds available under this part to support activities described in paragraph (1) of subsection (a). Any funds in excess of $3,000,000 available under this part may be used to support new activities described in para-

graph (1) or to support activities described in paragraph (2), or both.

SEC. 2103. APPLICATION; PARTICIPATION.

(a) APPLICATION.—A grant may be made, and a contract may be entered into, under this part only upon application to the Secretary, at such time, in such form, and containing or accompanied by such information as the Secretary may prescribe. Each such application shall—

(1) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant;

(2) describe a program for carrying out one or more of the purposes set forth in section 2101(b) which holds promise of making a substantial contribution toward attaining such purposes; and

(3) set forth policies and procedures which insure adequate evaluation of the activities intended to be carried out under the application, including where appropriate an evaluation or estimate of the potential for continued significance following completion of the grant period.

(b) SPECIAL RULE.—In approving applications under this part, the Secretary shall—

(1) give special consideration to applications submitted by applicants that have not received assistance

under this part or under part C of title IX of the Elementary and Secondary Education Act of 1965; and

(2) proposals from applicants on the basis of inequitable geographic distribution throughout the United States.

(c) LIMITATION.—Nothing in this part shall be construed as prohibiting men and boys from participating in any programs or activities assisted under this part.

SEC. 2104. CHALLENGE GRANTS.

(a) PURPOSE.—In addition to the authority of the Secretary under section 2102, the Secretary shall carry out a program of challenge grants (as part of the grant program administered under section 2102(a)(1)), not to exceed $40,000 each, in order to support projects to develop—

(1) comprehensive plans for implementation of equity programs at every educational level;

(2) innovative approaches to school-community partnerships;

(3) new dissemination and replication strategies; and

(4) other innovative approaches to achieving the purposes of this part.

(b) GRANT RECIPIENTS.—For the purpose described in paragraphs (1) through (4) of subsection (a), the Secretary is authorized to make grants to public agencies and private

nonprofit organizations and consortia of these groups and to individuals.

SEC. 2105. CRITERIA AND PRIORITIES.

The Secretary shall establish separate criteria and priorities for awards under sections 2102(a)(1) and 2102(a)(2) under this part to insure that available funds are used for programs that most effectively will achieve the purposes of this part. The criteria and priorities shall be promulgated in accordance with section 431 of the General Education Provisions Act.

SEC. 2106. REPORTS, EVALUATION, AND DISSEMINATION.

(a) REPORTS.—The Secretary shall, from funds authorized under this part, not later than September 30 of 1992, submit to the President and the Congress, a report setting forth the programs and activities assisted under this part, and provide for the distribution of this report.

(b) EVALUATION AND DISSEMINATION.—The Secretary, through the Office of Educational Research and Improvement, shall evaluate and disseminate materials and programs developed under this part.

SEC. 2107. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $5,300,000 for the fiscal year 1989, $5,600,000 for fiscal year 1990, $5,900,000 for fiscal year 1991, $6,200,000 for fiscal year

1992, and $6,500,000 for fiscal year 1993 to carry out the provisions of this part.

SEC. 2108. REPEAL.

Part C of title IX of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3341) is repealed.

PART D—GIFTED AND TALENTED CHILDREN

SEC. 2151. SHORT TITLE.

This part may be referred to as the "Jacob K. Javits Gifted and Talented Students Education Act of 1987".

SEC. 2152. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds and declares that—

(1) gifted and talented students are a national resource vital to the future of the Nation and its security and well-being;

(2) unless the special abilities of gifted and talented students are recognized and developed during their elementary and secondary school years, much of their special potential for contributing to the national interest is likely to be lost;

(3) gifted and talented students from economically disadvantaged families and areas, and students of limited English proficiency are at greatest risk of being unrecognized and of not being provided adequate or appropriate educational services;

(4) State and local educational agencies and private nonprofit schools often lack the necessary specialized resources to plan and implement effective programs for the early identification of gifted and talented students for the provision of educational services and programs appropriate to their special needs; and

(5) the Federal Government can best carry out the limited but essential role of stimulating research and development and personnel training, and providing a national focal point of information and technical assistance, that is necessary to ensure that our Nation's schools are able to meet the special educational needs of gifted and talented students, and thereby serve a profound national interest.

(b) STATEMENT OF PURPOSE.—It is the purpose of this part to provide financial assistance to State and local educational agencies, institutions of higher education, and other public and private agencies and organizations, to initiate a coordinated program of research, demonstration projects, personnel training, and similar activities designed to build a nationwide capability in elementary and secondary schools to identify and meet the special educational needs of gifted and talented students. It is also the purpose of this part to supplement and make more effective the expenditure of State and local funds, and of Federal funds made available

under chapter 2 of title I of this Act and the Education for Economic Security Act, for the education of gifted and talented students.

SEC. 2153. DEFINITIONS.

For the purposes of this part:

(1) The term "gifted and talented students" means children and youth who give evidence of high performance capability in areas such as intellectual, creative, artistic, or leadership capacity, or in specific academic fields, and who require services or activities not ordinarily provided by the school in order to fully develop such capabilities.

(2) The term "institution of higher education" has the same meaning given such term in section 435(b) of the Higher Education Act of 1965.

(3) The term "Hawaiian native" means any individual any of whose ancestors were natives prior to 1778 in the area which now comprises the State of Hawaii.

(4) The term "Hawaiian native organization" means any organization recognized by the Governor of the State of Hawaii primarily serving and representing Hawaiian natives.

SEC. 2154. AUTHORIZED PROGRAMS.

(a) ESTABLISHMENT OF PROGRAM.—From the sums appropriated under section 2158 in any fiscal year the Secretary shall make grants to or enter into contracts with State educational agencies, local educational agencies, institutions of higher education, or other public agencies and private agencies and organizations (including Indian tribes and organizations as defined by the Indian Self-Determination and Education Assistance Act and Hawaiian native organizations) to assist such agencies, institutions, and organizations in carrying out programs or projects authorized by this Act that are designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students or in supervising such personnel.

(b) APPLICATION REQUIRED.—No grant may be made and no contract may be entered into under this part unless the applicant submits an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(c) USES OF FUNDS.—Programs and projects assisted under this section may include—

- *(1) preservice and inservice training (including fellowships) for personnel (including leadership personnel) involved in the education of gifted and talented students;*

(2) establishment and operation of model projects and exemplary programs for the identification and education of gifted and talented students, including summer programs and cooperative programs involving business, industry, and education;

(3) strengthening the capability of State educational agencies and institutions of higher education to provide leadership and assistance to local educational agencies and nonprofit private schools in the planning, operation, and improvement of programs for the identification and education of gifted and talented students;

(4) programs of technical assistance and information dissemination; and

(5) carrying out (through the National Center for Research and Development in the Education of Gifted and Talented Children and Youth established pursuant to subsection (d))—

(A) research on methods and techniques for identifying and teaching gifted and talented students, and

(B) program evaluations, surveys, and the collection, analysis, and development of information needed to accomplish the purposes of this Act.

(d) ESTABLISHMENT OF NATIONAL CENTER.—The Secretary shall establish a National Center for Research and

Development in the Education of Gifted and Talented Children and Youth through grants to or contracts with one or more institutions of higher education or State educational agencies, or a combination or consortium of such institutions and agencies, for the purpose of carrying out clause (5) of subsection (c). Such National Center shall have a Director. The Secretary may authorize the Director to carry out such functions of the National Center as may be agreed upon through arrangements with other institutions of higher education, State or local educational agencies, or other public or private agencies and organizations.

(e) LIMITATION.—Not more than 30 percent of the funds available in any fiscal year to carry out the programs and projects authorized by this section may be used for the conduct of activities pursuant to subsections (c)(5) or (d).

SEC. 2155. PROGRAM PRIORITIES.

(a) GENERAL PRIORITY.—In the administration of this part the Secretary shall give highest priority—

(1) to the identification of gifted and talented students who may not be identified through traditional assessment methods (including economically disadvantaged individuals, individuals of limited English proficiency, and individuals with handicaps) and to education programs designed to include gifted and talented students from such groups; and

(2) to programs and projects designed to develop or improve the capability of schools in an entire State or region of the Nation through cooperative efforts and participation of State and local educational agencies, institutions of higher education, and other public and private agencies and organizations (including business, industry, and labor), to plan, conduct, and improve programs for the identification and education of gifted and talented students.

(b) SERVICE PRIORITY.—In approving applications under section 2154(a) of this part, the Secretary shall assure that in each fiscal year one-half of the applications approved contain a component designed to serve gifted and talented students who are economically disadvantaged individuals.

SEC. 2156. PARTICIPATION OF PRIVATE SCHOOL CHILDREN AND TEACHERS.

In making grants and entering into contracts under this Act, the Secretary shall ensure, where appropriate, that provision is made for the equitable participation of students and teachers in private nonprofit elementary and secondary schools, including the participation of teachers and other personnel in preservice and inservice training programs serving such children.

SEC. 2157. ADMINISTRATION.

The Secretary shall establish or designate an administrative unit within the Department of Education—

(1) to administer the programs authorized by this part,

(2) to coordinate all programs for gifted and talented students administered by the Department, and

(3) to serve as a focal point of national leadership and information on the educational needs of gifted and talented students and the availability of educational services and programs designed to meet those needs.

The administrative unit established or designated pursuant to this section shall be headed by a person of recognized professional qualifications and experience in the field of the education of gifted and talented students.

SEC. 2158. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $15,000,000 for fiscal year 1989, $15,800,000 for the fiscal year 1990, $16,600,000 for the fiscal year 1991, $17,400,000 for the fiscal year 1992, and $18,300,000 for the fiscal year 1993, to carry out the provisions of this part.

PART E—FAMILY-SCHOOL PARTNERSHIP

SEC. 2251. SHORT TITLE.

This part may be cited as the "Family-School Partnership Act".

SEC. 2252. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) it has been clearly demonstrated that parent involvement is directly related to better student achievement, attitudes, and performance in school;

(2) demographics of the American family are changing to the degree that significant numbers of children attending school come from families with single parents, families in which both parents are employed outside the home, or where the primary caregiver is not the biological parent;

(3) the demographics mean that current approaches to developing and maintaining partnerships with educators in compensatory education programs require review and modification to make them more responsive to the needs of both families and schools; and

(4) effective approaches to more fully involving families as partners in their children's education should be encouraged as a matter of Federal policy.

(b) PURPOSE.—The purpose of this part is to encourage eligible local educational agencies to increase the involvement of families in the improvement of the educational achievement of their children in the preschool, elementary, and secondary schools of such agency.

SEC. 2253. ELIGIBLE AGENCY.

In order to be eligible to receive a grant under this part, a local educational agency must be eligible to receive a grant under section 1005 of this Act.

SEC. 2254. DEMONSTRATION PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make demonstration grants to eligible local educational agencies for the development of innovative, promising family-school educational partnership activities designed to—

(1) support the efforts of families, including training, to the maximum extent practicable, to work with children in the home to both attain the instructional objectives of the schools of eligible local educational agencies and instill positive attitudes about the importance of education;

(2) train teachers and other staff personnel involved in the program supported under chapter 1 of the Education Consolidation and Improvement Act of 1981 to work effectively as educational partners with the families of participating students;

(3) train families, teachers and other staff personnel in the schools of such agency to build an educational partnership between home and school; and

(4) evaluate how well family involvement activities of the schools of such agency are working, what barriers exist to greater participation, and what steps

need to be taken to expand participation in such family involvement activities.

(b) Uses of Funds.—The activities and procedures for which grants may be made under this part may include—

(1) training programs for the family on the family's educational responsibilities and reasonable and necessary expenditures associated with the attendance of parents or guardians at training sessions;

(2) planning and development of new school procedures and practices to meet the changing demographic characteristics of the families of school-age children;

(3) planning and development of modifications of school procedures and practices necessary for the involvement of parents of special groups, including minorities, disadvantaged, gifted and talented, and students with handicaps;

(4) hiring, training, and use of educational personnel at eligible local educational agencies to coordinate family involvement activities and to foster communications among families, educators, and students;

(5) development and purchase by a local educational agency of educational materials where such materials are commercially unavailable to reinforce school learning at home and assistance in implementing other home-based education activities that reinforce and

extend classroom instruction and student motivation; and

(6) securing technical assistance, including training, to design and carry out family involvement programs.

SEC. 2255. APPLICATION.

(a) APPLICATION REQUIRED.—No grant may be made under this part unless an application is submitted to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems reasonably necessary to carry out the provisions of this part.

(b) SPECIAL CONSIDERATION.—In approving applications under this part, the Secretary shall give special consideration to applicants which have already shown a commitment to parental involvement or which give a reasonable explanation why the commitment to parental involvement has not been a high priority for the local educational agency concerned.

SEC. 2256. ADMINISTRATIVE PROVISION.

(a) ESTABLISHMENT.—The Secretary shall establish in the Department of Education an administrative unit for family-school partnerships in education.

(b) FUNCTIONS.—The Secretary, through the unit established by subsection (a), shall collect and disseminate in-

formation on, and serve as a clearinghouse for, successful programs on family-school educational partnerships.

SEC. 2257. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $10,000,000 for the fiscal year 1989, $10,500,000 for the fiscal year 1990, $11,000,000 for the fiscal year 1991, $12,500,000 for the fiscal year 1992, and $14,000,000 for the fiscal year 1993, to carry out the provisions of this part.

PART F—ALLEN J. ELLENDER FELLOWSHIP PROGRAM

SEC. 2301. FINDINGS.

The Congress makes the following findings:

(1) Allen J. Ellender, a Senator from Louisiana and President pro tempore of the United States Senate, had a distinguished career in public service characterized by extraordinary energy and real concern for young people and the development of greater opportunities for active and responsible citizenship by young people.

(2) Senator Ellender provided valuable support and encouragement to the Close Up Foundation, a nonpartisan, nonprofit foundation promoting knowledge and understanding of the Federal Government among young people and their educators.

(3) It is a fitting and appropriate tribute to the beloved Senator Ellender to provide in his name an opportunity for participation, by students of limited economic means and by their teachers, in the program supported by the Close Up Foundation.

Subpart 1—Program for Secondary School Students and Teachers

SEC. 2311. ESTABLISHMENT.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with the provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its program of increasing understanding of the Federal Government among secondary school students, their teachers, and the communities they represent.

(b) USE OF FUNDS.—Grants under this subpart shall be used only for financial assistance to economically disadvantaged students and their teachers who participate in the program described in subsection (a) of this section. Financial assistance received pursuant to this subpart by such students and teachers shall be known as Allen J. Ellender fellowships.

SEC. 2312. APPLICATIONS.

(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such

time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) CONTENTS OF APPLICATION.—*Each such application shall contain provisions to assure—*

(1) that fellowship grants are made to economically disadvantaged secondary school students, and to secondary school teachers;

(2) that not more than one secondary school teacher in each such school participating in the program may receive a fellowship grant in any fiscal year;

(3) that every effort will be made to ensure the participation of students and teachers from rural and small town areas, as well as from urban areas, and that in awarding fellowships to economically disadvantaged students, special consideration will be given to the participation of students with special educational needs, including handicapped students, students from recent immigrant families, ethnic minority students, gifted and talented students, and students of migrant parents; and

(4) the proper disbursement of the funds of the United States received under this part.

Subpart 2—Programs for Older Americans and Recent Immigrants

SEC. 2314. ESTABLISHMENT.

(a) GENERAL AUTHORITY.—(1) The Secretary is authorized to make grants in accordance with the provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among economically disadvantaged older Americans and recent immigrants.

(2) For the purpose of this subpart, the term "older American" means an individual who has attained 55 years of age.

(b) USE OF FUNDS.—Grants under this subpart shall be used only for financial assistance to economically disadvantaged older Americans and recent immigrants who participate in the program described in subsection (a) of this section. Financial assistance received pursuant to this subpart by such individuals shall be known as Allen J. Ellender fellowships.

SEC. 2315. APPLICATIONS.

(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) CONTENTS OF APPLICATION.—Each such application shall contain provisions to assure—

(1) that fellowship grants are made to economically disadvantaged older Americans and recent immigrants;

(2) that every effort will be made to ensure the participation of older Americans and recent immigrants from rural and small town areas, as well as from urban areas, and that in awarding fellowships, special consideration will be given to the participation of older Americans and recent immigrants with special needs, including handicapped individuals and ethnic minorities;

(3) that activities permitted by section 2314 are fully described; and

(4) the proper disbursement of the funds of the United States received under this part.

Subpart 3—General Provisions

SEC. 2331. ADMINISTRATIVE PROVISIONS.

(a) GENERAL RULE.—Payments under this part may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment.

(b) AUDIT RULE.—The Comptroller General of the United States or any of his duly authorized representatives

shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to any grant under this part.

SEC. 2332. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION FOR SUBPART 1.—There are authorized to be appropriated to carry out the provisions of this subpart 1 of this part $3,000,000 for fiscal year 1989, $3,500,000 for fiscal year 1990, $4,000,000 for fiscal year 1991, $4,500,000 for fiscal year 1992, and $5,000,000 for fiscal year 1993.

(b) AUTHORIZATION FOR SUBPART 2.—(1) There are authorized to be appropriated to carry out the provisions of this subpart 2 of this part $3,000,000 for fiscal year 1989, $3,500,000 for fiscal year 1990, $4,000,000 for fiscal year 1991, $4,500,000 for fiscal year 1992, and $5,000,000 for fiscal year 1993.

(2) No funds may be appropriated to carry out the provisions of this subpart in any fiscal year unless funds are appropriated for that fiscal year in the amount authorized in subsection (a) of this section.

SEC. 2333. REPEAL.

The joint resolution of October 19, 1972 (Public Law 92–506) is repealed.

PART G—TERRITORIAL ASSISTANCE

SEC. 2351. GENERAL ASSISTANCE FOR THE VIRGIN ISLANDS.

There are authorized to be appropriated $5,000,000 for fiscal year 1989, $5,500,000 for fiscal year 1990, $6,000,000 for fiscal year 1991, $6,500,000 for fiscal year 1992, and $7,000,000 for fiscal year 1993, for the purpose of providing general assistance to improve public education in the Virgin Islands.

SEC. 2352. TERRITORIAL TEACHER TRAINING ASSISTANCE.

There are authorized to be appropriated $2,000,000 for fiscal year 1989, $2,100,000 for fiscal year 1990, $2,200,000 for fiscal year 1991, $2,400,000 for fiscal year 1992, and $2,600,000 for fiscal year 1993 for the purpose of assisting teacher training programs in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. From the sums appropriated pursuant to this section the Secretary shall make grants and enter into contracts for the purpose of providing training to teachers in schools in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The Secretary may make grants to or contracts with any organization considered qualified to provide training for teachers in such schools and shall allot such sums among such territories on the basis of the need for such training.

SEC. 2353. REPEAL.

Sections 1524 and 1525 of the Education Amendments of 1978 are repealed.

PART H—PARENTAL CHOICE OPEN ENROLLMENT DEMONSTRATION PROGRAM IN PUBLIC SCHOOLS

SEC. 2401. FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) parental choice programs offer a successful approach to improve the academic achievement of elementary and secondary school students; and

(2) there has been an increased awareness of the success of the parental choice programs.

(b) PURPOSE.—It is the purpose of this part to provide demonstration grants to local educational agencies to determine the success of parental choice open enrollment programs in public schools.

SEC. 2402. DEMONSTRATION PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this part, to make demonstration grants to local educational agencies to demonstrate the effectiveness of parental choice programs.

(b) ELIGIBILITY.—No local educational agency may participate in the demonstration program authorized by this part unless the local educational agency agrees to permit elementary and secondary school students to enroll in public schools in the school district without regard to attendance

zones, and to permit elementary and secondary school students and their families to decide which school in the school district of the local educational agency the student will attend.

SEC. 2403. USE OF FUNDS.

(a) GENERAL RULE.—Demonstration grants under this part may be used—

(1) for projects designed to increase elementary and secondary school attendance and student achievement;

(2) to increase accountability for the success of the educational program in elementary and secondary schools;

(3) to increase parental involvement and public interest in local elementary and secondary schools;

(4) to establish and operate distinctive schools with new and innovative approaches to elementary and secondary education; and

(5) to provide a wider range of educational courses of instruction to educationally and economically disadvantaged children.

(b) ADMINISTRATIVE RULE.—Grants may be used under this part to design, implement, carry out, and evaluate the parental choice programs for which assistance is sought.

SEC. 2404. APPLICATION.

(a) APPLICATION REQUIRED.—Any local educational agency desiring to participate in the demonstration program authorized by this part shall apply to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(b) CONSORTIA APPLICATIONS PERMITTED.—A consortia of local educational agencies may apply for a demonstration grant under this part for the development and conduct of interdistrict, regional, or Statewide parental choice programs.

SEC. 2405. AMOUNT AND DURATION OF GRANTS.

(a) AMOUNT.—(1) No grant made under this part may exceed $1,000,000 in any fiscal year.

(2) The Secretary, pursuant to uniform criteria established by the Secretary, may waive the provision of paragraph (1)—

- *(A) in the case of a local educational agency serving a very large number of elementary and secondary school students,*
- *(B) in the case of a consortium of local educational agencies serving large school districts, or*
- *(C) for such other special circumstances as the Secretary may specify.*

(b) DURATION.—Grants made under this part may be made for a period not to exceed 5 years.

SEC. 2406. CONDITIONS AND LIMITATIONS.

(a) GRANTS FOR AGENCIES HAVING PARENTAL CHOICE PROGRAMS.—Any local education agency with a parental choice program in operation during the year for which assistance is sought may apply for a grant to expand the parental choice program of the school district of such agency.

(b) MAGNET SCHOOLS PROGRAM RULE.—Any local educational agency receiving a grant under the magnet schools program authorized by title II of this Act or by title VII of the Education for Economic Security Act, as the case may be, may apply for a grant under this part if the local educational agency, in the application required by this part, provides assurances that the funds for which assistance is sought will be used for additional activities designed to strengthen the educational program of the schools of such agency.

SEC. 2407. EVALUATION.

(a) INDEPENDENT EVALUATION.—The Secretary shall provide not later than October 1, 1992, for an independent evaluation of demonstration programs under this part to determine the effectiveness of parental choice programs.

(b) REPORT TO THE CONGRESS AND DISSEMINATION.—The Secretary shall prepare and submit to the Congress, not later than October 1, 1992, the results of such an

evaluation. The evaluation shall be made available for all possible dissemination.

SEC. 2408. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $15,000,000 for fiscal year 1989, $16,000,000 for fiscal year 1990, $17,000,000 for fiscal year 1991, $18,000,000 for fiscal year 1992, and $19,000,000 for fiscal year 1993, to carry out the provisions of this part.

PART I—RURAL EDUCATIONAL OPPORTUNITIES

SEC. 2451. PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary shall make grants to, or enter into contracts with, institutions of higher education, private nonprofit agencies and organizations (including regional educational laboratories), public agencies, State educational agencies, or combinations of such agencies or institutions within particular regions of the United States, to pay all or part of the cost of the establishment and operation of 10 regional rural assistance centers. Nonpublic agencies competing for such grants or contracts shall have extensive experience providing educational assistance to State and local educational agencies.

(b) FUNCTIONS OF REGIONAL RURAL ASSISTANCE CENTERS.—Each regional rural assistance center established under subsection (a) shall provide technical assistance, consultation, training, and such other assistance that will

assist the State educational agencies and local educational agencies in the region improve the quality of the education provided to educationally disadvantaged children participating in programs under chapter 1 of title I of this Act who reside in rural areas or attend small schools.

SEC. 2452. PRIORITY REQUIREMENTS.

In carrying out this part, the Secretary shall give priority to applications which describe assistance to school districts in local educational agencies in rural areas—

(1) with the highest concentrations of children from low-income families;

(2) that have a significant number or percentage of schools serving children from low-income families; and

(3) in which there are a significant number of schools in which evaluations indicate no improvement or a decline in aggregate achievement by the children participating in programs under such chapter.

SEC. 2453. COORDINATION AND DISSEMINATION.

(a) COORDINATION.—Each center established under this part shall—

(1) coordinate its activities with technical assistance centers established under section 1021(e),

(2) coordinate its activities with local educational agencies and State educational agencies under sections 1021 and 1022, and

(3) assist in identifying successful programs and practices for dissemination through the National Diffusion Network.

(b) DISSEMINATION.—Each such center shall be accessible through electronic means.

SEC. 2454. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $10,000,000 for fiscal year 1989, $10,500,000 for fiscal year 1990, $11,000,000 for fiscal year 1991, $12,000,000 for fiscal year 1992, and $13,000,000 for fiscal year 1993, to carry out this part.

PART J—SECRETARY'S FUND FOR INNOVATION IN EDUCATION

SEC. 2501. PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—From amounts appropriated pursuant to section 2509 the Secretary is authorized to carry out, directly or by way of grants, contract or other arrangements, programs and projects which will strengthen elementary and secondary education in the United States—

(1) by demonstrating an innovative approach to strengthening subject matter instruction in elementary or secondary education; or

(2) by showing promise of strengthening elementary and secondary education in a manner which can be replicated in other States.

(b) SPECIAL PROGRAMS.—Programs for the innovation of elementary and secondary education may include, but shall not be limited to, programs described in sections 2502 through 2506 of this part.

(c) ADMINISTRATIVE AUTHORITY.—In carrying out the provisions of this part the Secretary is authorized to make grants to or enter into contracts with State and local education agencies, institutions of higher education and other public agencies and private nonprofit organizations.

SEC. 2502. MATERIALS FOR USE IN EDUCATIONAL TELEVISION AND RADIO PROGRAMMING.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants or enter into contracts, as authorized by section 2501(c), for the development of materials for educational television and radio programming for use in elementary and secondary education.

(b) USES OF FUNDS.—Funds available to carry out this section may be used for—

(1) the planning, development and operation of educational television and radio materials and programs designed specifically to address educational needs in critical subject matter areas;

(2) programs and projects to assist in the training of public and private elementary and secondary school teachers, administrator and other educational personnel in the use of such television or radio programming in the schools or coordination with the school curriculum; or

(3) educational television and radio programs and projects which promote a partnership between elementary and secondary schools, and the parents of elementary and secondary students, State educational agencies, and institutions of higher education, and the commu- nity in which such schools are located.

SEC. 2503. PROGRAMS FOR COMPUTER-BASED INSTRUCTION.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants and enter into contracts, as authorized by section 2501(c), for the purpose of strengthening and expanding computer education resources available in public and private elementary and secondary schools.

(b) USES OF FUNDS.—Projects assisted under this section may include—

(1) the acquisition and leasing of computer hardware for use in the education program in the elementary and secondary schools in the State, including services necessary for the operation, installation, and maintenance of computer hardware;

(2) the acquisition of computer software and complimentary instructional materials; or

(3) teacher training programs designed to improve the quality of instruction in computer education and to expand the use of computers in the educational program in elementary and secondary schools.

(c) PLANNING REQUIREMENT.—No grant may be made under this section unless the applicant carries out planning activities designed to facilitate the use of Federal financial assistance under this section for the expansion of computer resources in the elementary or secondary schools. The planning may be conducted in conjunction with the local education assessment required under title II of the Education for Economic Security Act. The planning activities shall include—

(1) the goals for computer education in the schools receiving grants under this section and how the goals relating to computer education in each subject relate to the education objectives of the local educational agency,

(2) planned revisions in the basic curricula of the elementary and secondary schools designed to integrate the use of computers,

(3) instructional priorities for the use of computers,

(4) schedules for placing computers in the elementary and secondary schools of such agency,

(5) criteria for selecting computer hardware and software to be acquired which are designed to contribute to the curriculum goals,

(6) provisions for the security of the computers,

(7) after school and vacation availability of the computers for use by parents and students and teachers for instructional or educational purposes, and

(8) standards for the evaluation of the computer education program assisted under this section, including student achievement and progress in meeting the goals set forth under paragraph (1).

(d) Special Rules for Teacher Training Programs.—(1) In making grants or contracts under this section for teacher training programs described in subsection (b)(3), the Secretary shall give special consideration to applicants who will train teachers, or supervisors, or trainers of teachers, serving or preparing to serve in elementary and secondary schools that enroll substantial numbers of culturally, economically, socially, and educationally disadvantaged youth or in programs for children with limited English proficiency.

(2) Each individual who participates in a program described in paragraph (1) may be eligible (after application

therefor) to receive a stipend at the rate of $275 per week for the period of attendance in such program.

(3) In carrying out the provisions of this subsection, the Secretary may enter into cooperative agreements with the National Science Foundation and with professional scientific or engineering organizations, science museums, regional education centers, consortia of local educational agencies, intrastate resource and service centers, institutions of higher education (including community colleges), and private nonprofit educational organizations for the development and operation by such entities of short-term or regular session programs for study to improve the qualifications of individuals who are engaged in or preparing to engage in the teaching, or supervising or training of teachers, in the use of computers for education programs in elementary and secondary schools.

SEC. 2504. PROGRAMS FOR THE IMPROVEMENT OF COMPREHENSIVE SCHOOL HEALTH EDUCATION.

(a) GENERAL AUTHORITY.—(1) The Secretary is authorized to make grants and contracts, as authorized by section 2501(c), to State and local educational agencies to establish or strengthen comprehensive school health education programs.

(2) The Secretary shall carry out the program authorized by the section through an office of comprehensive school

health education established within the Department of Education.

(3) The Secretary, through the Office established under subsection (a) of this section, shall—

(A) encourage State and local educational agencies to provide comprehensive school health education to the elementary and secondary school students in the schools of such agencies;

(B) provide technical support to State and local educational agencies on health education programs and curricula;

(C) make grants to State and local educational agencies in accordance with this section;

(D) provide an annual report on the progress of the Office and the status of school health education in the United States;

(E) cooperate with other Federal agencies carrying out school health education programs to ensure coordination of such programs; and

(F) advise the Secretary on school health education policy.

(b) USES OF FUNDS.—Grants under this section may be used for—

(1) personal health and fitness;

(2) nutrition;

(3) mental and emotional health;

(4) prevention of chronic diseases;

(5) substance use and abuse;

(6) accident prevention and safety;

(7) community and environmental health;

(8) prevention and control of communicable diseases;

(9) effective use of the health services delivery system; and

(10) development and aging.

SEC. 2505. TELECOMMUNICATION AND VIDEO INSTRUCTION PROGRAM.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants and enter into contracts in accordance with the provision of section 2501(c) to State and local educational agencies for programs which use telecommunications and video resources for the instruction of public and private elementary and secondary school students and for teacher training programs for public and private elementary and secondary school teachers.

(b) DEFINITION.—For the purpose of this section the term "telecommunications" means the full range of technologies that can be used for educational instruction, including closed circuit television systems, educational television and

radio broadcasting, cable television, satellite transmission, computer laser discs, and video and audio discs and tapes.

SEC. 2506. YOUTH SUICIDE PREVENTION PROGRAMS.

(a) General Authority.—The Secretary is authorized, in accordance with this section, to make grants to local educational agencies and private nonprofit organizations to establish and operate programs of youth suicide prevention upon completion by the Alcohol, Drug Abuse, and Mental Health Administration of guidelines for the Secretary for a youth suicide prevention program. The program authorized by this section shall be administered by the Department of Education, using peer review procedures, where a majority of review members are mental health professionals. Grants under this subsection shall be evaluated by the Alcohol, Drug Abuse, and Mental Health Administration of the Health and Human Services using information provided by the grantee, the Department of Education, and other affiliated mental health organizations.

(b) Applications.—(1) An agency or organization which desires to receive a grant from the Secretary under this Act shall submit an application to the Secretary in such form and at such times as the Secretary may require.

(2) In the case of an applicant which is a local educational agency, the application shall provide assurances that Federal funds made available under this Act will be so used

as to supplement and, to the extent practicable, increase the amount of State and local funds that would in the absence of such Federal funds be made available for the uses specified in this section, and in no case supplant such State or local funds.

(c) GRANT LIMITATION.—No grant made by the Secretary under this section may exceed $100,000 in any fiscal year.

SEC. 2507. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $20,000,000 for the fiscal year 1989, $21,000,000 for the fiscal year 1990, $22,000,000 for the fiscal year 1991, $23,000,000 for the fiscal year 1992, and $25,000,000 for the fiscal year 1993, to carry out the provisions of this part.

TITLE III—MAGNET SCHOOLS ASSISTANCE

PART A—MAGNET SCHOOLS TO OVERCOME RACIAL ISOLATION

SEC. 3001. AUTHORIZATION OF APPROPRIATIONS; RESERVATION.

(a) AUTHORIZATION.—There are authorized to be appropriated $115,000,000 for the fiscal year 1989, $121,000,000 for the fiscal year 1990, $127,000,000 for the fiscal year 1991, $133,000,000 for the fiscal year 1992, and

$140,000,000 for the fiscal year 1993, to carry out the provisions of this part.

(b) AVAILABILITY OF FUNDS FOR GRANTS TO AGENCIES NOT PREVIOUSLY ASSISTED.—(1) Any fiscal year in which the amount appropriated exceeds $75,000,000, the Secretary shall, with respect to such excess amount, give priority to grants to local educational agencies which—

(A) meet the requirements of section 3002; and

(B) have not received a grant under title VII of the Education for Economic Security Act, or under this part, in the fiscal year prior to the fiscal year for which the determination is made.

(2) In awarding grants with the first $75,000,000, the Secretary shall not take into account, in whole or in part, whether a local educational agency has received an award in the prior funding cycle.

SEC. 3002. ELIGIBILITY.

A local educational agency is eligible to receive assistance under this part if the local educational agency—

(1) is implementing a plan undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, and which requires the desegregation of minority group segregated children

or faculty in the elementary and secondary schools of such agency; or

(2) without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this part, adopt and implement, a plan which has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of minority group segregated children or faculty in such schools.

SEC. 3003. STATEMENT OF PURPOSE.

It is the purpose of this part to support, through financial assistance to eligible local educational agencies—

(1) the elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial portions of minority students; and

(2) courses of instruction within magnet schools that will substantially strengthen the knowledge of academic subjects and the grasp of tangible and marketable vocational skills of students attending such schools.

SEC. 3004. PROGRAM AUTHORIZED.

The Secretary is authorized, in accordance with the provisions of this part, to make grants to eligible local educational agencies for use in magnet schools which are part of an *approved desegregation plan and which are designed to bring students from different social, economic, ethnic, and racial backgrounds together.*

SEC. 3005. DEFINITION.

For the purpose of this part, the term "magnet schools" means a school or education center that offers a special curriculum capable of attracting substantial numbers of students of different racial backgrounds.

SEC. 3006. USES OF FUNDS.

Grants made under this part may be used by eligible local educational agencies for—

(1) planning and promotional activities directly related to expansion, continuation, or enhancement of academic programs and services offered at magnet schools;

(2) the acquisition of books, materials, and equipment including computers and the maintenance and operation thereof, necessary for the conduct of programs in magnet schools; and

(3) the payment of or subsidization of the compensation of elementary and secondary school teachers who are certified or licensed by the State and who are necessary for the conduct of programs in magnet schools;

where with respect to clauses (2) and (3), such assistance is directly related to improving the knowledge of mathematics, *science, history, English, foreign languages, art, or music, or to improving vocational skills.*

SEC. 3007. APPLICATIONS AND REQUIREMENTS.

(a) APPLICATION.—Each eligible local educational agency which desires to receive assistance under this part shall submit an application to the Secretary. Each such application shall be in such form as the Secretary may reasonably require. Each such application shall contain assurances that the local educational agency will meet the conditions enumerated in subsection (b).

(b) REQUIREMENTS CERTIFIED.—As part of the annual application required by subsection (a), each eligible local educational agency shall certify that the agency agrees—

(1) to use funds made available under this part for the purposes specified in section 3003;

(2) to employ teachers in the courses of instruction assisted under this part who are certified or licensed by the State to teach the subject matter of the courses of instruction;

(3) to provide assurances that the local educational agency will not engage in discrimination based upon race, religion, color, national origin, sex, or handicap in the hiring, promotion, or assignment of employees of

the agency or other personnel for whom the agency has any administrative responsibility;

(4) to provide assurances that the local educational agency will not engage in discrimination based upon race, religion, color, national origin, sex, or handicap in the mandatory assignment of students to schools or to courses of instruction within schools of such agency except to carry out the approved plan;

(5) to provide assurances that the local educational agency will not engage in discrimination based upon race, religion, color, national origin, sex, or handicap in designing or operating extracurricular activities for students;

(6) to describe how assistance made available under this part will be used to promote desegregation;

(7) to provide assurances that the agency will carry out a high quality education program that will encourage greater parental choice and involvement;

(8) to provide a description of the manner in which the local educational agency will continue the magnet schools program after assistance under this part is no longer available; and

(9) to provide such other assurances as the Secretary determines necessary to carry out the provisions of this part.

(c) SPECIAL RULE.—No application may be approved under this section unless the Assistant Secretary of Education for Civil Rights determines that the assurances contained in clauses (3), (4), and (5) of subsection (b) will be met.

SEC. 3008. SPECIAL CONSIDERATION.

(a) PRIORITY.—In approving applications under this part the Secretary shall give priority to—

(1) the recentness of the implementation of the approved plan or modification thereof;

(2) the proportion of minority group children involved in the approved plan;

(3) the need for assistance based on the expense or difficulty of effectively carrying out an approved plan and the program or projects for which assistance is sought; and

(4) the degree to which the program or project for which assistance is sought affords promise of achieving the purposes of this part.

(b) SPECIAL CONSIDERATION.—In approving applications under this part, the Secretary shall give special consideration to the degree to which the program for which assistance is sought involves the collaborative efforts of institutions of higher education, community-based organizations, the ap-

propriate State educational agency, or any other private organization.

SEC. 3009. PROHIBITIONS.

Grants under this part may not be used for consultants, for transportation, or for any activity which does not augment academic improvement.

SEC. 3010. LIMITATION ON PAYMENTS.

(a) LIMITATION ON DURATION AND PROGRESS.—No local educational agency may receive a grant under this part for more than one fiscal year unless the Secretary determines that the program for which assistance was provided in the first fiscal year is making satisfactory progress in achieving the purposes of this part.

(b) LIMITATION ON PLANNING FUNDS.—No local educational agency may expend more than 10 percent of the amount that the agency receives in any fiscal year for planning.

(c) SPECIAL RULE ON CHAPTER 2 FUNDS.—No State shall reduce the amount of State aid with respect to the provision of free public education or the amount of assistance received under chapter 2 of title I of this Act in any school district of any local educational agency within such State because of assistance made or to be made available to such agency under this part.

PART B—MAGNET SCHOOLS FOR EDUCATIONAL IMPROVEMENT

SEC. 3101. STATEMENT OF PURPOSE.

It is the purpose of this part to assist—

(1) local educational agencies,

(2) consortiums of such agencies, and

(3) intermediate educational agencies,

which have significant percentages of minority students in establishing and conducting magnet schools programs, without regard to the presence of desegregation plans, in the school districts of such agencies designed to promote open enrollment through parental choice and to strengthen the knowledge of elementary and secondary school students in academic subjects.

SEC. 3102. AUTHORIZATION OF APPROPRIATIONS.

(a) GENERAL RULE.—Subject to subsection (b), there are authorized to be appropriated $35,000,000 for fiscal year 1989, $37,000,000 for fiscal year 1990, $39,000,000 for fiscal year 1991, $41,000,000 for fiscal year 1992, and $43,000,000 for fiscal year 1993 to carry out the provisions of this part.

(b) SPECIAL RULE.—No appropriation may be made for this part for any fiscal year unless the amount appropriated for part A for that fiscal year is equal to or exceeds $100,000,000.

SEC. 3103. ELIGIBILITY.

Any local educational agency, consortium of such agencies, and intermediate educational agency, is eligible to receive grants under this part if such agency submits an application which contains evidence of collaborative arrangements between the agency and an institution of higher education, community-based organization, another local educational agency, the appropriate State educational agency, or any combination of such institutions, organizations, or agencies.

SEC. 3104. USES OF FUNDS.

Grants under this part may be used for—

(1) planning and outreach activities directly related to expansion and enhancement of academic programs and services offered at magnet schools;

(2) the acquisition of books, materials, and equipment, including computers and the maintenance and operation thereof, necessary for the conduct of educational programs in magnet schools; and

(3) the payment of or subsidization of the compensation of elementary and secondary school teachers who are certified or licensed by the State and who are necessary for the conduct of educational programs in magnet schools;

whenever such assistance is directly related to improving the knowledge of mathematics, science, history, English, foreign languages, art, or music, or to improving the vocational skills *of the elementary and secondary school students enrolled in the magnet schools.*

SEC. 3105. APPLICATIONS.

(a) APPLICATION REQUIRED.—Each applicant desiring to receive a grant under this part shall submit an application in such form, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(b) CONTENTS OF APPLICATION.—Each such application shall—

(1) provide assurances that the assistance will be used for the purposes described in section 3104;

(2) describe the collaborative efforts required by section 3103;

(3) provide assurances that teachers will be employed in the courses of instruction assisted under this part who are certified or licensed by the State to teach the subject matter of the courses of instruction;

(4) provide assurances that the applicant will not engage in discrimination based upon race, religion, color, or national origin in—

(A) hiring, promotion, or assignment of employees of the agency or other personnel for whom the agency has any administrative responsibility;

(B) the mandatory assignment of students to schools or to courses of instruction within schools of such agency, except as is necessary to carry out an approved desegregation plan; and

(C) designing or operating extracurricular activities for students;

(5) describe how funds made available under this part will be used to promote integration, provide a high quality education program for local educational agencies with significant concentrations of minority students, and increase parental choice;

(6) describe how such agency will devote its resources to continuing the magnet school program when funds made available to it under this part may no longer be made available; and

(7) provide such other assurances as the Secretary determines necessary.

(c) APPROVAL; SPECIAL CONSIDERATION.—In approving applications under this part, the Secretary shall give special consideration to—

(1) applications which describe projects which will serve local educational agencies with minority enrollments of at least 60 percent, or consortia of such agencies, who are from low-income families or from minority families; and

(2) applicants which have not previously received funds under part A of this title or under title VII of the Education for Economic Security Act.

PART C—GENERAL PROVISIONS

SEC. 3211. PAYMENTS.

(a) General Rule.—The Secretary shall pay to each local educational agency having an application approved by the Secretary the amount set forth in the application. Payments under this part for a fiscal year shall remain available for obligation and expenditure by the recipient until the end of the succeeding fiscal year, except that no such agency shall receive more than $4,000,000 under this title in any one fiscal year.

(b) Award Requirement.—To the extent practicable, for any fiscal year, the Secretary shall award grants to local educational agencies under this title no later than July 1 of the applicable fiscal year.

SEC. 3212. WITHHOLDING.

The provisions of sections 453 and 454 of the General Education Provisions Act, relating to withholding and cease and desist orders, shall apply to the program authorized by this part.

SEC. 3213. REPEAL.

Title VII of the Education for Economic Security Act is repealed.

TITLE IV—IMPACT AID PROGRAM

SEC. 4001. SHORT TITLE.

This title may be cited as the "Impact Aid Reauthorization Act of 1987".

PART A—PUBLIC LAW 874

SEC. 4002. ADMINISTRATIVE AMENDMENTS.

(a) GENERAL RULE.—(1) The Act of September 30, 1950 (Public Law 874, Eighty-first Congress) (hereafter referred to in this part as the "Act") is amended by striking out "the Commissioner" each time it appears and inserting in lieu thereof "the Secretary".

(2) Section 5(b)(3)(C)(vii) of the Act is amended by striking out "Commissioner's" and inserting in lieu thereof "Secretary's".

(3) Section 403(9) of the Act is amended to read as follows:

"(9) The term 'Secretary' means the Secretary of Education.".

(b) SPECIAL RULES.—(1) Section 7(c)(1) of the Act is amended by striking out "Labor and Public Welfare" and inserting in lieu thereof "Labor and Human Resources".

(2) The last sentence of section 7(d) of the Act is amended to read as follows: "The Secretary shall complete action of approval or disapproval of an application within 90 days of the filing of an application.".

SEC. 4003. REAUTHORIZATION.

(a) EXTENSION OF PROGRAM.—The Act is amended by striking out "October 1, 1988" each place it appears in sections 2(a), 3(b), 4(a), and 7(a)(1) and inserting in lieu thereof "October 1, 1993".

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $800,000,000 for fiscal year 1989, $840,000,000 for fiscal year 1990, $880,000,000 for fiscal year 1991, $925,000,000 for fiscal year 1992, and $970,000,000 for fiscal year 1993, to carry out the provisions of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress).

SEC. 4004. FEDERAL ACQUISITION OF REAL PROPERTY.

Section 2(a) of the Act is amended by adding at the end of such subsection the following: "In making the determination of the amount that would have been derived in such year, the Secretary shall apply the current levied real property tax rate for current expenditures levied by independent local educational agencies or inputed for dependent local educational agencies to the current annually determined aggregate assessed value of such acquired Federal property.".

SEC. 4005. ENTITLEMENTS AND PAYMENTS.

(a) AMOUNT FOR SECTION 3(a) CHILDREN.—Section 3(d)(1)(A) of the Act is amended to read as follows:

"(A) in the case of any local educational agency with respect to which the number of children is deter-

mined under subsection (a) an amount equal to 100 per centum of the local contribution rate multiplied by the number of children determined under such subsection plus the product obtained with respect to such agency under subparagraph (B); and".

(b) AMOUNT FOR OTHER CHILDREN.—Section 3(d)(1)(B) of the Act is amended to read as follows:

"(B) in any other case, an amount equal to 25 per centum of the local contribution rate multiplied by the number of children determined with respect to such agency for such fiscal year under subsection (b).".

(c) SPECIAL RULES.—(1) Section 3(d)(2)(B)(i) of the Act is amended to read as follows:

"(i) the amount of payment resulting from paragraph (1), as is otherwise provided in this subsection with respect to any local educational agency for any fiscal year, together with the funds available to such agency from State and local sources and from other sections of this title, determined in accordance with subparagraph (E), is less than the amount necessary to enable such agency to provide a level of education equivalent to the State average during the preceding fiscal year or to the average of that maintained during the preceding fiscal year in three or more of the school districts of the State which are generally comparable to

the school district of such agency, whichever is higher, increased or decreased, as the case may be, in the same percentage as the cost of such level of education increased or decreased from the second preceding fiscal year to the prior fiscal year;".

(2) Section 3(d)(2)(B) of the Act is amended by inserting after the first sentence the following new sentences: "The increase computed under this subparagraph shall be sufficient to allow the school district of the local educational agency to provide a level of education (calculated in accordance with this subparagraph) no greater than the average of comparable school districts in the State or, if there are no comparable school districts, the State average. For the purpose of clause (ii), the Secretary shall determine that a reasonable tax effort has been made if the tax rate of the agency in the year for which the determination is made is an amount that is at least equal to 80 percent of the average tax rate for operational purposes of comparable school districts for such fiscal year. Coterminous military districts shall be deemed to meet the requirement of the previous sentence. Payments made to any agency under this subparagraph in any fiscal year shall be reduced by the percentage that the average tax rate for operational purposes of the comparable school districts or, if none, the State average tax rate, exceeds the tax rate of such agency.".

(3) Section 3(d)(2)(E) of the Act is amended to read as follows:

"(E) For the purpose of subparagraph (B)(i) of this paragraph, available funds may not include any cash balance at the end of a year allowed under State law, or, whenever no State law governing cash balance exists, may not include 30 percent of the local educational agency's operating costs.".

(d) DISTRICTS WITH UNUSUAL GEOGRAPHIC FACTORS.—(1) Section 3(d)(3)(B)(ii) of the Act is amended by striking out "is authorized to" and inserting in lieu thereof "shall".

(2) Section 3(d)(3)(B)(ii) of the Act is amended by adding at the end thereof the following new sentence: "The amount of any such supplementary payment may not exceed the per pupil share (computed with regard to all children in average daily attendance), as determined by the Secretary, of the increased current expenditures necessitated by such unusual geographical factors.".

(e) COTERMINOUS AGENCY RULE.—Section 3(h) of the Act is amended by adding at the end the following sentence: "For the fiscal year beginning October 1, 1987, and for each year thereafter, the local contribution rate for such coterminous agencies shall be not less than 70 per centum of the average per pupil expenditure in all States during the

second preceding year prior to the fiscal year for which the determination is made.".

SEC. 4006. METHOD OF PAYMENT.

(a) Rounding of Payments.—The first sentence of section 5(b) of the Act is amended by inserting after "agency" a comma and the following: "rounded to the nearest whole dollar,".

(b) Disposition of Recovered Funds.—Section 5(b) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following sentence: "The Secretary shall return to the United States Treasury any funds appropriated for payments under this title for fiscal years 1988 and thereafter that, as the result of overpayments or unallowable expenditures, are recovered by the Department of Education after the end of the fifth fiscal year following the end of the fiscal year for which the sums were appropriated, or that remain in Department of Education accounts after that time.".

(c) Preliminary Payments.—Section 5(b)(2) of the Act is amended to read as follows:

"(2) As soon as possible after the beginning of any fiscal year, the Secretary shall, on the basis of a written

request for a preliminary payment from any local educational agency that was eligible for a payment for the preceding fiscal year on the basis of entitlements established under section 2 or 3, make such a preliminary payment—

"(A) to any agency for whom the number of children determined under section 3(a) amounts to at least 20 per centum of such agency's total average daily attendance, of 75 per centum of the amount that such agency received for such preceding fiscal year on the basis of such entitlements; and

"(B) to any other agency, of 50 per centum of the amount that such agency received for such preceding fiscal year on the basis of such entitlements.".

(d) GENERAL RULE ON PAYMENTS.—Section 5(c)(1) of the Act is amended to read as follows:

"(1)(A) The Secretary shall first allocate to each local educational agency which is entitled to a payment under section 2 an amount equal to 100 per centum of the amount to which it is entitled as computed under that section for such fiscal year and to each local educational agency an amount equal to 100 per centum of the entitlement for each child eligible under section 3(d)(2)(C) served by such agency.

"(B) The Secretary shall then allocate to any local educational agency which is eligible under section

268

3(d)(2)(B) an amount equal to 100 per centum of the amount to which such agency is entitled under sections 3(a) and 3(b).

"(C) The Secretary shall reserve from the remainder of the sums appropriated for this Act (other than amounts needed for section 7) for such fiscal year—

"(i) 80 per centum for the purpose of allocating sums under paragraph (2) for entitlements determined under section 3(a); and

"(ii) 20 per centum for the purpose of allocating sums under paragraph (3) for entitlements determined under section 3(b).".

(e) ALLOCATION OF PAYMENTS RULE.—(1) Section 5(c)(2) of the Act is amended to read as follows:

"(2)(A) For the purpose of allocating sums available for section 3(a) for any fiscal year which remain after the allocation required by paragraph (1) and any allocation required by sections 5(e) and 3(h) for such fiscal year, the Secretary shall determine the category to which a local educational agency belongs as follows:

"(i) Each local educational agency in which the number of children determined under section 3(a) amounts to at least 20 per centum of the total number of children who were in average

daily attendance in the schools of such agency is in category (i).

"(ii) Each local educational agency in which the number of children determined under section 3(a) amounts to at least 15 per centum, but less than 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (ii).

"(iii) Each local educational agency in which the number of children determined under section 3(a) amounts to less than 15 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (iii).

"(B) The Secretary shall allocate the amounts described in subparagraph (A) according to the following schedule:

"(i) A first allocation shall be made as follows:

"(I) 80 per centum of entitlement to local educational agencies described in category (i);

"(II) 60 per centum of entitlement to local educational agencies described in category (ii); and

"(III) 40 per centum of entitlement to local educational agencies described in category (iii).

"(ii) Any sums remaining after the allocation pursuant to clause (i) shall be allocated as follows:

"(I) 20 per centum of entitlement to local educational agencies described in category (i);

"(II) 15 per centum of entitlement to local educational agencies described in category (ii); and

"(III) 10 per centum of entitlement to local educational agencies described in category (iii).

"(iii) Any sums remaining after the allocation pursuant to clause (ii) shall be allocated as follows:

"(I) 25 per centum of entitlement to local educational agencies described in category (ii); and

"(II) 50 per centum of entitlement to local educational agencies described in category (iii).

"(3)(A) For the purpose of allocating sums available for section 3(b) for any fiscal year which remain after the allocation required by paragraph (1) and any allocation required by sections 5(e) and 3(h) for such fiscal year, the Secretary shall determine the category to which a local educational agency belongs as follows:

"(i) Each local educational agency in which the number of children determined under section 3(b) amounts to at least 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (i).

"(ii) Each local educational agency in which the number of children determined under section 3(b) amounts to less than 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (ii).

"(B) The Secretary shall allocate the amounts described in subparagraph (A) according to the following schedule:

"(i) A first allocation shall be made as follows:

"(I) 20 per centum of entitlement to local educational agencies described in category (i); and

"(II) 10 per centum of entitlement to local educational agencies described in category (ii).

"(ii) Any sums remaining after the allocation pursuant to clause (i) shall be allocated as follows:

"(I) 30 per centum of entitlement to local educational agencies described in category (i); and

"(II) 5 per centum of entitlement to local educational agencies described in category (ii).

"(iii) Any sums remaining after the allocation pursuant to clause (ii) shall be allocated as follows:

"(I) 50 per centum of entitlement to local educational agencies described in category (i); and

"(II) 85 per centum of entitlement to local educational agencies described in category (ii).

273

"(4)(A) Whenever the additional amounts described in paragraphs (2)(A) and (3)(A) in each fiscal year are insufficient to provide the required percent of entitlement under clause (ii) or (iii) of paragraph (2)(B), or clause (ii) or (iii) of paragraph (3)(B), respectively, the Secretary shall allocate such additional amounts according to the following schedule for each such clause:

"(i) 72 per centum under clause (ii)(I) of paragraph (2)(B), 3 per centum under clause (ii)(II) of paragraph (2)(B), and 25 per centum under clause (ii)(III) of paragraph (2)(B), of the amount which the Secretary determines is available for clause (ii) of paragraph (2)(B);

"(ii) 75 per centum under clause (iii)(I) of paragraph (2)(B), and 25 per centum under clause (iii)(II) of paragraph (2)(B) of the amount which the Secretary determines is available for clause (iii) of paragraph (2)(B);

"(iii) 75 per centum under clause (ii)(I) of paragraph (3)(B), and 25 per centum under clause (ii)(II) of paragraph (3)(B) of the amount which the Secretary determines is available for clause (ii) of paragraph (3)(B); and

"(iv) 75 per centum under clause (iii)(I) of paragraph (3)(B), and 25 per centum under clause (iii)(II) of paragraph (3)(B) of the amount which the Secretary determines is available for clause (iii) of paragraph (3)(B).

"(B) For the purpose of subparagraph (A), the amount available in each fiscal year for each clause is the amount which bears the same ratio to the amount available in that fiscal year for subparagraph (A) for paragraph (2)(B) or paragraph (3)(B), as the case may be, as the full entitlement for each such clause bears to the full entitlement under paragraph (2) or (3), as the case may be.".

(2)(A) Section 5(c)(3) of the Act is repealed.

(B) The last sentence of section 5(c) of the Act is repealed.

(f) STATE AID RULE.—(1) Section 5(d)(2)(A)(ii) of the Act is amended by inserting before the period at the end a comma and the following: "and only if the formula used by the State ensures that the local educational agency will have sufficient funds available to that agency to equal or exceed the average per pupil expenditure for the State or the average per pupil expenditure for comparable districts, whichever is greater.".

(2) Section 5(d)(2)(A) of the Act is amended by inserting after the first sentence the following flush sentence: "The increase in payments described in sections 3(d)(2)(B), 3(d)(2)(C), 3(d)(2)(D), and 3(d)(3)(B)(ii) shall not be taken into consideration by the State for the purpose of this subparagraph.".

(g) HOLD HARMLESS RULES.—Section 5(e) of the Act is amended to read as follows:

"(e)(1)(A) For any fiscal year after September 30, 1987, the Secretary shall allocate to any local educational agency which received a payment under section 3(a) in fiscal year 1987, an amount which is not less than the product of 100 per centum of the per pupil amount paid to such agency in fiscal year 1987 and the number of such children in average daily attendance for the fiscal year for which the determination is made under such subsection.

"(B) For any fiscal year beginning after September 30, 1987, the Secretary shall allocate to any local educational agency which received a payment under section 3(b) in fiscal year 1987 for children described in section 5(c)(3)(A)(i), an amount which is not less than the product of 100 per centum of the per pupil amount paid to such agency in fiscal year 1987 and the number of such children in average daily attendance in the fiscal year for which such determination is made.

276

"(C) The provisions of subparagraphs (A) and (B) of this paragraph shall not apply to any local educational for which the factor in the determination of the local contribution rate described in section 3(d)(3)(A)(i) in the year for which the determination is made is less than the amount for such factor for fiscal year 1987.

"(D) The Secretary is authorized to modify the per pupil amount described in subparagraph (A) of this paragraph, in any case in which, in the fiscal year for which the determination is made a local educational agency is no longer an agency described in section 5(c)(2)(A)(i), or section 5(c)(2)(A)(ii), but is an agency described in section 5(c)(2)(A)(ii) or section 5(c)(2)(A)(iii), as the case may be.

"(E) The provisions of subparagraph (B) of this paragraph shall not apply to any local educational agency which, in the fiscal year for which the determination is made, is not a local educational agency described in section 5(c)(3)(A)(i).

"(2) If sums appropriated for any fiscal year for making payments under this section are not sufficient to pay in full the amount to which each local educational agency is entitled under the previous paragraph, such amounts shall be ratably reduced.".

SEC. 4007. CHILDREN FOR WHOM LOCAL AGENCY IS UNABLE TO PROVIDE EDUCATION.

Section 6 of the Act is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding any other provision of law, a local educational agency receiving funds under section 3 may also receive funds under section 6.".

SEC. 4008. DISASTER ASSISTANCE.

(a) GENERAL RULE.—Section 7(a)(1) of the Act is amended—

(1) by striking out subparagraph (B);

(2) by striking out "or" at the end of subparagraph (A) and inserting in lieu thereof "and"; and

(3) by striking out the subparagraph designation "(A)".

(b) ELIGIBILITY.—Section 7(a)(3) of the Act is amended by striking out "$1,000 or one-half of 1 per centum" and inserting in lieu thereof "$10,000 or 5 per centum".

(c) AVAILABILITY OF FUNDS.—Section 7 of the Act is amended by adding at the end thereof the following new subsection (f):

"(f) Funds available for this section for any fiscal year shall also be available for section 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress).".

SEC. 4009. REGULATION REQUIREMENTS.

No regulations may be established to carry out the provisions of this Act unless—

(1) such regulations will become final only after a period for comment which is not less than 90 days; and

(2) the regulations will take effect in the fiscal year succeeding the fiscal year in which final regulations are published unless otherwise required by law.

No provision of the regulations may have a retroactive effect which results in the recovery of assistance by the United States (other than such recovery based on regulations in effect at the time the assistance was made). To the extent that the provisions of section 431 of the General Education Provisions Act are not inconsistent with the provisions of this section, the provisions of section 431 shall apply to regulations established under this Act.

SEC. 4010. DEFINITION.

Section 403(5) of the Act is amended by striking out "under title I, II, or III of the Elementary and Secondary Education Act of 1965" and inserting in lieu thereof "under chapter 1 or 2 of title I of the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987".

SEC. 4011. SPECIAL ASSESSMENT RULE FOR FEDERAL ACQUISITION OF REAL PROPERTY.

(a) GENERAL RULE.—Notwithstanding any other provision of law, the amount of any payment made to a local educational agency, for fiscal years prior to 1986, that is attributable to an incorrect determination under section 2(a)(1)(C) of the Act of September 30, 1950 (Public Law 874, 81st Congress) shall be deemed to have been made in accordance with such section.

(b) TECHNICAL AMENDMENT.—In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount of payments made pursuant to this Act.

PART B—PUBLIC LAW 815

SEC. 4101. REAUTHORIZATION.

(a) EXTENSION OF PROGRAM.—The Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended—

(1) by striking out "September 30, 1988" in section 3 and inserting in lieu thereof "September 30, 1993"; and

(2) by striking out "October 1, 1988" in section 16(a)(1)(A) and inserting in lieu thereof "October 1, 1993".

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $25,000,000 for fiscal year

1989, $26,000,000 for fiscal year 1990, $27,000,000 for fiscal year 1991, $28,000,000 for fiscal year 1992, and $29,000,000 for fiscal year 1993, to carry out the provisions of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress).

SEC. 4102. ADMINISTRATIVE AMENDMENTS.

(a) GENERAL RULE.—(1) The Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is further amended by striking out "the Commissioner" each time it appears and inserting in lieu thereof "the Secretary".

(2) Section 11(b) of such Act is amended by striking out "Commissioner's" and inserting in lieu thereof "Secretary's".

(3) Section 15(14) of such Act is amended to read as follows:

"(14) The term 'Secretary' means the Secretary of Education.".

(b) SPECIAL RULE.—The fifth sentence of section 16(c) of such Act is amended to read as follows: "The Secretary shall complete action of approval or disapproval of an application within 90 days of the filing of an application.".

SEC. 4103. DISASTER ASSISTANCE.

(a) GENERAL RULE.—Section 16(a)(1) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended—

(1) by striking out subparagraph (B);

(2) by striking out "or" at the end of subparagraph (A) and inserting in lieu thereof "and"; and

(3) by striking out the subparagraph designation "(A)".

(b) ELIGIBILITY.—Section 16(a)(5) of such Act is amended by striking out "$1,000 or one-half of 1 per centum" and inserting in lieu thereof "$10,000 or 5 per centum".

TITLE V—ADULT AND VOCATIONAL EDUCATION

PART A—ADULT EDUCATION

SEC. 5001. SHORT TITLE.

This title may be cited as the "Adult Education Reauthorization Act of 1987".

SEC. 5002. DEFINITIONS.

Section 303 of the Adult Education Act (hereafter in this title referred to as "the Act") is amended—

(1) by striking out the comma immediately after "State law" in subsection (a), and everything that follows through the end thereof and inserting in lieu thereof a period; and

(2) by inserting "who are not enrolled in a secondary school and" immediately after "for adults" in subsection (b).

282

SEC. 5003. STATE PLANS.

(a) LIMITED ENGLISH PROFICIENCY PROGRAM.—Section 306 of the Act is amended by adding at the end thereof the following new subsection:

"(d) Programs conducted under subsection (b)(11) shall be designed to teach English to limited English proficient adults and, as appropriate, to allow such adults to progress effectively through the adult education program or to prepare them to enter the regular program of adult education as quickly as possible. Such programs may provide instruction in the native language, to the extent necessary, or may provide instruction exclusively in English, and shall be carried out in coordination with programs assisted under the Bilingual Education Act and with bilingual vocational education programs under the Carl D. Perkins Vocational Education Act.".

(b) CONFORMING AMENDMENT.—Section 306(b)(11) of the Act is amended by striking out "by providing a bilingual adult education program" and everything that follows through the end thereof and inserting in lieu thereof a semicolon.

(c) TRANSITION RULE.—Upon a written request from a State, the Secretary shall approve an extension of 1 year, from June 30, 1988, to June 30, 1989, for the revision of any plan already approved under this section for the period July 1, 1985, through June 30, 1988.

SEC. 5004. PAYMENTS.

(a) FEDERAL SHARE.—Section 307(a) of the Act is amended by striking out "90 per centum" and inserting in lieu thereof "75 per centum".

(b) MAINTENANCE OF EFFORT.—Section 307(b)(1) of the Act is amended by inserting after "not less than" the following: "90 per centum of".

(c) COST OF ADMINISTRATION.—Section 307 of the Act is further amended by adding at the end thereof the following new subsection:

"(c) Effective for fiscal years beginning after September 30, 1990, a State educational agency may use no more than 5 per centum of the State's grant or $50,000, whichever is greater, to pay the cost of its administration of the State's program.".

SEC. 5005. CORRECTIONS EDUCATION SET ASIDE.

(a) SET ASIDE REQUIRED.—Section 304(b) of the Act is amended to read as follows:

"(b) Not less than 10 per centum of the funds paid to a State under subsection (a) shall be used for corrections education and education for other institutionalized individuals in accordance with section 316.".

(b) PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED PERSONS AUTHORIZED.—The Act is amended by inserting after section 315 the following new section:

"PROGRAMS FOR CORRECTIONS EDUCATION AND EDUCATION FOR OTHER INSTITUTIONALIZED INDIVIDUALS

"SEC. 316. Funds set aside under section 304(b) by a State shall be used for the cost of educational programs for criminal offenders in corrections institutions and for other institutionalized individuals, including—

"(1) academic programs for—

"(A) basic education with special emphasis on reading, writing, vocabulary, and arithmetic;

"(B) special education programs as defined by State law;

"(C) bilingual or English as a second language programs; and

"(D) secondary school credit programs;

"(2) vocational training programs;

"(3) library development and library service programs;

"(4) for corrections education programs, training for teacher personnel specializing in corrections education, particularly courses in social education, basic skills instruction, and abnormal psychology;

"(5) guidance and counseling programs;

"(6) supportive services for criminal offenders, with special emphasis on the coordination of education-

al services with agencies furnishing services to criminal offenders after their release; and

"(7) cooperative programs with educational institutions, community-based organizations of demonstrated effectiveness, and the private sector, designed to provide education and training.

"(b) As used in this section, the term—

"(1) 'criminal offender' means any individual who is charged with or convicted of any criminal offense; and

"(2) 'correctional institution' means any—

"(A) prison,

"(B) jail,

"(C) reformatory,

"(D) work farm,

"(E) detention center, or

"(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.".

(c) State Plan Provision.—Section 306(b)(1) of the Act is amended by striking out "and institutionalized adults" and inserting in lieu thereof a comma and the following: "together with the program for the use of funds under

section 316 for corrections education and education for other institutionalized individuals".

(d) TECHNICAL AMENDMENT.—Section 305(a) is amended by striking out "section 304(b)" and inserting in lieu thereof "section 304(a)".

SEC. 5006. WORKPLACE LITERACY PARTNERSHIPS GRANTS.

(a) ESTABLISHMENT OF GRANT PROGRAM.—The Adult Education Act is amended by inserting after section 316 the following new section:

"BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY

"SEC. 317. (a) GRANTS FOR EXEMPLARY DEMONSTRATION PARTNERSHIPS FOR WORKPLACE LITERACY.—(1) Subject to subsection (b), the Secretary may make demonstration grants to exemplary education partnerships for workplace literacy to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

"(A) business, industry, or labor organizations, or private industry councils; and

"(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

"(2) Grants under paragraph (1) may be used—

"(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (3); and

"(B) for administrative costs incurred by State educational agencies and local educational agencies in establishing programs funded under subparagraph (A).

"(3) Programs funded under paragraph (2)(A) shall be designed to improve the productivity of the workforce through improvement of literacy skills needed in the workplace by—

"(A) providing adult literacy and other basic skills services and activities;

"(B) providing adult secondary education services and activities which may lead to the completion of a high school diploma or its equivalent;

"(C) meeting the literacy needs of adults with limited English proficiency;

"(D) upgrading or updating basic skills of adult workers in accordance with changes in workplace requirements, technology, products, or processes;

"(E) improving the competency of adult workers in speaking, listening, reasoning, and problem solving; or

"(F) providing education counseling, transportation, and nonworking hours child care services to adult workers while they participate in a program funded under paragraph (2)(A).

"(4) An application to receive funding for a program out of a grant made to a partnership under this subsection shall—

"(A) be submitted jointly by—

"(i) a business, industry, or labor organization, or private industry council; and

"(ii) a State educational agency, local educational agency, institution of higher education, or school (including an area vocational school, an employment and training agency, or community-based organization);

"(B) set forth the respective roles of each member of the partnership;

"(C) contain such additional information as the Secretary may require, including evidence of the applicant's experience in providing literacy services to working adults;

"(D) describe the plan for carrying out the requirements of paragraph (3); and

"(E) provide assurances that the applicant will use the funds to supplement and not supplant funds otherwise available for the purpose of this section.

"(b) GRANTS TO STATES.—(1) Whenever in any fiscal year, appropriations under subsection (c) are equal to or exceed $50,000,000, the Secretary may make grants to

States which have State plans approved by the Secretary under section 306 to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

"(A) business, industry, or labor organizations, or private industry councils; and

"(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

"(2) Grants under paragraph (1) may be used—

"(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (4);

"(B) for administrative costs incurred by State educational agencies and local educational agencies in establishing programs funded under subparagraph (A); and

"(C) for costs incurred by State educational agencies in obtaining evaluations described in paragraph (3)(A)(iii).

"(3) A State shall be eligible to receive its allotment under subsection (e) if it—

"(A) includes in a State plan submitted to the Secretary under section 306 a description of—

"(i) the requirements for State approval of funding of a program;

"(ii) the procedures under which applications for such funding may be submitted; and

"(iii) the method by which the State shall obtain annual third-party evaluation of student achievement in, and overall effectiveness of services provided by, all programs which receive funding out of a grant made to the State under this section; and

"(B) satisfies the requirements of section 306(a).

"(4) The program requirements set forth in subsection (a)(3), shall apply to the program authorized by this sub section.

"(5) An application to receive funding for a program from a grant made to a State under paragraph (1) shall contain the same information required in subparagraphs (A) through (E) of subsection (a)(4).

"(6) If a State is not eligible for a grant under paragraph (1) of this subsection, the Secretary shall use the State's allotment under paragraph (7) to make direct grants to applicants in that State who are qualified to teach literacy skills needed in the workplace.

"(7)(A) The Federal share of expenditures for programs in a State funded under this subsection shall be paid from a State's allotment under this paragraph.

"(B) From the sum appropriated for each fiscal year under subsection (c) for any fiscal year in which appropriations equal or exceed $50,000,000, the Secretary shall allot—

"(i) $25,000 to each of American Samoa, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands; and

"(ii) to each remaining State an amount which bears the same ratio to the remainder of such sum as—

"(I) the number of adults in the State who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently required to be enrolled in schools in the State, bears to

"(II) the number of such adults in all States;

except that no State shall receive less than $125,000 in any fiscal year.

"(C) At the end of each fiscal year, the portion of any State's allotment for that fiscal year which—

"(i) exceeds 10 percent of the total allotment for the State under paragraph (2) for the fiscal year; and

"(ii) remains unobligated;

shall be reallocated among the other States in the same proportion as each State's allocation for such fiscal year under paragraph (2).

"(c) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated $30,000,000 for the fiscal year 1988, $31,500,000 for the fiscal year 1989, and such sums as may be necessary for the fiscal year 1990 and each succeeding fiscal year ending prior to October 1, 1993, to carry out the provisions of this section.

"(2) No funds may be appropriated under paragraph (1) of this subsection for any fiscal year unless the appropriation for the Adult Education Act (other than sections 316 and 317) for that year is equal to or greater than $110,000,000.

"(3) Amounts appropriated under this subsection shall remain available until expended.".

(b) DEFINITIONS.—Section 303 of the Adult Education Act is amended by adding at the end the following new subsections:

"(k) The term 'community-based organization' has the meaning given such term in section 4(5) of the Job Training Partnership Act (21 U.S.C. 1501 et seq.).

"(l) The term 'private industry council' means the private industry council established under section 102 of the Job Training Partnership Act (21 U.S.C. 1501 et seq.).".

SEC. 5007. ENGLISH LITERACY GRANTS.

(a) ESTABLISHMENT OF GRANT PROGRAM.—The Adult Education Act is amended by inserting after section 317 (as added by section 5006) the following new section:

"ENGLISH LITERACY PROGRAM GRANTS

"SEC. 318. (a) GRANTS TO STATES.—(1) The Secretary may make grants to States which have State plans approved by the Secretary under section 306 for the establishment, operation, and improvement of English literacy programs for individuals of limited English proficiency. Such grants may provide for support services for program participants, including child care and transportation costs.

"(2) A State shall be eligible to receive a grant under paragraph (1) if the State includes in a State plan submitted to the Secretary under section 306 a description of—

"(A) the number of individuals of limited English proficiency in the State who need or could benefit from programs assisted under this chapter;

"(B) the activities which would be undertaken under the grant and the manner in which such activities will promote English literacy and enable individuals in the State to participate fully in national life;

"(C) how the activities described in subparagraph (B) will serve individuals of limited English proficiency, including the qualifications and training of personnel who will participate in the proposed activities;

"(D) the resources necessary to develop and operate the proposed activities and the resources to be provided by the State; and

"(E) the specific goals of the proposed activities and how achievement of these goals will be measured.

"(3) Grants under this section shall be available for not more than 3 years. The Secretary may terminate a grant only if the Secretary determines that—

"(A) the State has not made substantial progress in achieving the specific educational goals set out in the application; or

"(B) there is no longer a need in the State for the activities funded by the grant.

"(b) SET-ASIDE FOR COMMUNITY-BASED ORGANIZATIONS.—A State that is awarded a grant under subsection (a) shall use not less than 50 percent of funds awarded under the grant to fund programs operated by community-based organizations with the demonstrated capability to administer English proficiency programs.

"(c) REPORT.—A State that is awarded a grant under subsection (a) shall submit to the Secretary a report describing the activities funded under the grant for each fiscal year covered by the grant.

"(d) DEMONSTRATION PROGRAM.—The Secretary, subject to the availability of funds appropriated pursuant to this section, shall directly, and through grants and contracts with public and private nonprofit agencies, institutions, and organizations, carry out a program—

"(1) through the Adult Education Division to develop innovative approaches and methods of literacy education for individuals of limited English proficiency utilizing new instructional methods and technologies; and

"(2) to designate the Center for Applicable Linguistics of the Office of Education Research and Improvement as a national clearinghouse on literacy education for individuals of limited English proficiency to collect and disseminate information concerning effective approaches or methods, including coordination with manpower training and other education programs.

"(e) EVALUATION AND AUDIT.—The Secretary shall evaluate the effectiveness of programs conducted under this section. Programs funded under this section shall be audited

in accordance with chapter 75 of title 31, United States Code.

"(f) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated $25,000,000 for the fiscal year 1988, $26,300,000 for the fiscal year 1989, $27,600,000 for the fiscal year 1990, $29,000,000 for the fiscal year 1991, $30,500,000 for the fiscal year 1992, and $32,000,000 for the fiscal year 1993 to carry out this section.

"(2) Funds appropriated pursuant to this section shall remain available until expended.

"(3) Funds appropriated under this subsection may be combined with other funds made available for the State by the Federal Government for literacy training for individuals with limited English proficiency.

"(4) Not more than 10 percent of funds available under this section shall be used to carry out the purposes of subsection (d).".

(b) DEFINITIONS.—Section 303 of the Adult Education Act (20 U.S.C. 1201 et seq.) (as amended by section 5006) is amended by adding at the end the following new subsections:

"(m) The term 'individual of limited English proficiency' means an adult or out-of-school youth who has limited

ability in speaking, reading, writing, or understanding the English language and—

"(1) whose native language is a language other than English; or

"(2) who lives in a family or community environment where a language other than English is the dominant language.

"(n) The term 'out-of-school youth' means an individual who is under 16 years of age and beyond the age of compulsory school attendance under State law who has not completed high school or the equivalent.

"(o) The term 'English literacy program' means a program of instruction designed to help limited English proficient adults, out-of-school youths, or both, achieve full competence in the English language.

"(p) The term 'community-based organization' means a private organization which is representative of a community or significant segments of a community and which provides education, vocational education, job training, or internship services and programs and includes neighborhood groups and organizations, community action agencies, community development corporations, union-related organizations, employer-related organizations, tribal governments, and organizations serving Native Alaskans and Indians.".

SEC. 5008. REAUTHORIZATION.

Section 314 of the Act is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 314. (a) For the purpose of carrying out this title, other than section 309, there are authorized to be appropriated $200,000,000 for the fiscal year 1989, $210,000,000 for the fiscal year 1990, $225,000,000 for the fiscal year 1991, $235,000,000 for the fiscal year 1992, and $245,000,000 for the fiscal year 1993.

"(b) For the purpose of carrying out section 309 there are authorized to be appropriated $2,000,000 for fiscal year 1989 and for each of the succeeding fiscal years ending prior to October 1, 1993.".

SEC. 5009. ADULT EDUCATION FOR THE HOMELESS.

Section 702(c)(2) of the Stewart B. McKinney Homeless Assistance Act is repealed.

SEC. 5010. REPEAL.

Section 312 of the Act, relating to the National Advisory Council on Adult Education, is repealed.

PART B—VOCATIONAL EDUCATION

SEC. 5101. TECHNICAL AMENDMENT.

Section 202 of the Carl D. Perkins Vocational Education Act is amended—

(1) by inserting (a) after the section designation, and

(2) by adding at the end thereof the following new subsection:

"(b) Funds described in clause (4) of subsection (a) shall also be available for single pregnant women.".

TITLE VI—EDUCATION FOR ECONOMIC SECURITY

PART A—REAUTHORIZATION OF EDUCATION FOR ECONOMIC SECURITY ACT

SEC. 6001. SHORT TITLE.

This title may be cited as the "Education for Economic Security Reauthorization Act".

SEC. 6002. MATHEMATICS AND SCIENCE EDUCATION REAUTHORIZED.

Title II of the Education for Economic Security Act is amended to read as follows:

"TITLE II—EDUCATION FOR ECONOMIC SECURITY

"STATEMENT OF PURPOSE

"SEC. 201. It is the purpose of this title to make financial assistance available to State and local educational agencies, and to institutions of higher education, to improve the skills of teachers and instruction in mathematics, science, and computer learning, and to increase the access of all students to such instruction, and thereby contribute to strengthening the economic security of the United States.

"DEFINITION

"Sec. 202. As used in this title, the term 'junior or community college' means an institution of higher education—

"(1) that admits as regular students individuals who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

"(2) that does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree); and

"(3) that—

"(A) provides an educational program of not less than 2 years that is acceptable for full credit toward such a degree; or

"(B) offers a 2-year program designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"PROGRAM AUTHORIZED

"Sec. 203. (a) The Secretary is authorized to make grants to States and to make discretionary grants, in accord-

ance with the provisions of this title, for strengthening the skills of teachers and instruction in mathematics, science, and computer learning.

"(b) There are authorized to be appropriated $330,000,000 for the fiscal year 1989, $345,000,000 for fiscal year 1990, $365,000,000 for fiscal year 1991, $385,000,000 for fiscal year 1992, and $405,000,000 for fiscal year 1993 to carry out the provisions of this title.

"ALLOTMENT TO STATES

"SEC. 204. (a)(1) From 95 per centum of the amount appropriated to carry out this title for each fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to such 95 per centum as the number of children aged 5 to 17, inclusive, in the State bears to the number of such children in all States, except that no State shall receive less than one-half of 1 per centum of the amount available under this subsection in any fiscal year.

"(2)(A) The Secretary shall reserve 4 per centum of such amount to carry out section 211, relating to discretionary grants of national significance.

"(B) The Secretary shall reserve the remaining 1 per centum to carry out the provisions of subsection (c).

"(3) For the purpose of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

302

"(4) The number of children aged 5 to 17, inclusive, in the State and in all States shall be determined by the Secretary on the basis of the most recent satisfactory data available to him.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year to carry out this title which the Secretary determines will not be required for that fiscal year to carry out this title shall be available for reallotment from time to time, on such dates during that year as the Secretary may fix, to other States in proportion to the original allotments to those States under subsection (a) for that year but with such proportionate amount for any of those other States being reduced to the extent it exceeds the sum the Secretary estimates that States need and will be able to use for that year; and the total of those reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year shall be deemed a part of its allotment under subsection (a) for that year.

"(c)(1) From the amount reserved for each fiscal year under subsection (a)(2)(B), the Secretary shall allot—

"(A) not less than one-half of that amount to whatever agency the Secretary determines appropriate for programs authorized by this title for children in ele-

mentary and secondary schools operated for Indian children by the Department of the Interior; and

"(B) the remainder of that amount among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this title.

"(2) The Secretary shall make payments under paragraph (1)(A) on whatever terms the Secretary determines will best carry out the purpose of this title.

"IN-STATE APPORTIONMENT

"SEC. 205. (a) For each fiscal year, 75 per centum of each State's allotment under section 204 of this title shall be used for elementary and secondary education programs in accordance with section 206.

"(b) For each fiscal year, 25 per centum of each State's allotment under section 204 of this title shall be used for higher education programs in accordance with section 207.

"ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

"SEC. 206. (a) The amount apportioned under section 205(a) from each State's allotment under this title shall be used by the State educational agency to strengthen elementary and secondary education programs in accordance with the provisions of this section.

"(b)(1) Not less than 90 per centum of the amount available under this section shall be distributed to local edu-

cational agencies within the State. Each local educational agency shall use funds distributed under this paragraph for—

"(A) the expansion and improvement of training, inservice training, and retraining of teachers and other appropriate school personnel in the fields of mathematics and science, including vocational education teachers who use mathematics and science in the courses of study the teachers teach; or

"(B) if the local educational agency determines that the agency has met its need for training, inservice training, and retraining under subparagraph (A), subject to the provisions of section 201(c), such training, inservice training, and retraining in the fields of computer learning, and the acquisition of instructional materials and equipment related to mathematics and science instruction.

Such training and instruction may be carried out through agreements with public agencies, private industry, institutions of higher education, and nonprofit organizations, including museums, libraries, educational television stations, professional science, mathematics and engineering associations, and other appropriate institutions. A local educational agency may carry out the activities authorized by this paragraph with one or more other local educational agencies *within the State, or with the State educational agency, or both. Each local educational agency shall assure that programs of training, inservice training and retraining will take into account the need for greater access to and participation in mathematics, science, and computer learning programs and careers of students from historically underrepresented groups, including females, minorities, individuals with limited-English proficiency, the handicapped, and migrants.*

"(2)(A) The State educational agency shall distribute 50 per centum of the funds available under this subsection to local educational agencies according to the relative enrollments in public and private nonprofit schools within the district of such agencies. Such relative enrollments may be calculated, at the option of the State educational agency, on the basis of the total number of children enrolled in public schools and (i) private nonprofit schools, or (ii) private nonprofit schools desiring that their children and teachers participate in programs or projects assisted under this title. Nothing in the preceding sentence shall diminish the responsibility of local educational agencies to contact, on an annual basis, appropriate officials from private nonprofit schools within their school districts in order to determine whether such schools desire that their children and teachers participate in programs or projects assisted under this title.

"(B) The State educational agency shall distribute 50 per centum of the funds available under this subsection based on the relative number of children aged 5 to 17 who are from families below the poverty level as determined under section 1005(c)(2)(A) of this Act in the public schools of the local educational agencies within the State.

"(3) The State educational agency shall renew payments to local educational agencies under this subsection based upon the criteria set forth in paragraph (2) of this subsection and a determination by the State educational agency that the local educational agency is implementing the program assisted under this title so that a substantial number of teachers in the public and private schools in the school district of such agency are served and several grade levels of instruction in such schools are involved in the program.

"(c) Not less than 5 per centum of the amount available under this section shall be used by the State educational agency—

"(1) demonstration and exemplary programs for teacher training and retraining and inservice upgrading of teacher skills in the fields of mathematics, science, and computer learning,

"(2) demonstration and exemplary programs for instructional equipment and materials in such fields and necessary technical assistance,

"(3) demonstration and exemplary programs for special projects for historically underrepresented and underserved populations and for gifted and talented students, and

"(4) the dissemination of information to all local educational agencies within the State relating to the exemplary programs in the fields of mathematics, science, and computer learning.

In providing financial assistance for such demonstration and exemplary programs, the State educational agency shall give special consideration to special projects in mathematics, science, and computer education to historically underrepresented and underserved populations of students, including females, minorities, handicapped individuals, individuals with limited-English proficiency, and migrant students, and to programs for gifted and talented students. The programs for gifted and talented students may include assistance to magnet schools for such students.

"(d) Not more than 5 per centum of the amount available under this section may be used by the State educational agency—

"(1) to provide technical assistance to local educational agencies, institutions of higher education, and nonprofit organizations, including museums, libraries,

and educational television stations, in the conduct of programs specified under subsection (b); and

"(2) for the costs of administration and evaluation of the program assisted under this title.

"HIGHER EDUCATION PROGRAMS

"SEC. 207. (a) The amount apportioned under section 205(b) from each State's allotment under this title shall be used by the State agency for higher education for education programs in accordance with the provisions of this section.

"(b)(1)(A) Not less than 95 per centum of the amount available for this section shall be used by the State agency for higher education for grants to institutions of higher education in accordance with the provisions of this subsection.

"(B) The State agency for higher education shall make funds available on a competitive basis to institutions of higher education in the State which apply for payments under this section and which demonstrate involvement of local educational agencies. The State agency for higher education shall make every effort to ensure equitable participation of private and public institutions of higher education.

"(2) The amount available under this subsection shall be used for—

"(A) establishing traineeship programs for new teachers who will specialize in teaching mathematics and science at the secondary school level;

"(B) retraining of secondary school teachers who specialize in disciplines other than the teaching of mathematics, science, or computer learning to specialize in the teaching of mathematics, science, or computer learning, including the provision of stipends for participation in institutes authorized under title I; and

"(C) inservice training for elementary, secondary, and vocational school teachers and training for other appropriate school personnel to improve their teaching skills in the fields of mathematics, science, and computer learning, including stipends for participation in institutes authorized under title I.

Each institution of higher education receiving a grant under this subsection shall assure that programs of training, retraining, and inservice training will take into account the need for greater access to and participation in mathematics, science, and computer learning and careers of students from historically underrepresented and underserved groups, including females, minorities, individuals with limited-English proficiency, the handicapped, migrants, and the gifted and talented, and will insure cooperative agreements or cooperative arrangements with local educational agencies.

"(3) No institution of higher education may receive assistance under paragraphs (2) (B) and (C) of this subsection unless the institution enters into an agreement with a local

educational agency, or consortium of such agencies, to provide inservice training and retraining for the elementary and secondary school teachers in the public and private schools of the school district of each such agency.

"(c) The State agency for higher education may use funds described in subsection (b)(1)(A) for cooperative programs among institutions of higher education, local educational agencies, State educational agencies, private industry, and nonprofit organizations, including museums, libraries, educational television stations, and professional mathematics, science, and engineering societies and associations for the development and dissemination of projects designed to improve student understanding and performance in science, mathematics, and computer learning.

"(d) Not to exceed 5 per centum of the amount available under this section may be used by the State agency for higher education for—

"(1) the State assessment required by section 208 of this title; and

"(2) the costs of administration and evaluation of the program assisted under this title incurred by the State higher education agency.

"STATE APPLICATION

"SEC. 208. (a) Each State which desires to receive grants under this title shall file an application with the Secretary at such time, in such manner, and containing or ac-

companied by such information as the Secretary may reasonably require.

"(b) Each such application shall—

"(1) designate the State educational agency for the purpose of programs described in section 206, and the State agency for higher education for programs described in section 207 as the agency or agencies responsible for the administration and supervision of the programs described in sections 206 and 207, as the case may be;

"(2) describe the programs for which assistance is sought under the application;

"(3) provide assurances that payments will be distributed by the State in accordance with the provisions of sections 206 and 207, as the case may be;

"(4) provide procedures—

"(A) for submitting applications for programs described in sections 206 and 207 for distribution of payments under this title within the State, and

"(B) for approval of applications by the appropriate State agency, including appropriate procedures to assure that the appropriate State agency will not disapprove an application without notice and opportunity for a hearing;

"(5) provide assurances that—

"(A) for programs described in section 206, the provisions of sections 210 and 211 will be carried out; and

"(B) to the extent feasible, evaluations of the program assisted under this title will be performed;

"(6) provide assurances that Federal funds made available under this title for any fiscal year will be so used as to supplement, and to the extent practicable, to increase the level of funds that would, in the absence of such Federal funds, be available from non-Federal sources for the purposes described in sections 206 and 207, and in no case supplant such funds from non-Federal sources; and

"(7) provide such fiscal control and accounting procedures as may be necessary (A) to ensure proper accounting of Federal funds paid to the applicant under this title, and (B) to ensure the verification of the programs assisted under the application.

"(c) The Secretary shall expeditiously approve any State plan that meets the requirements of this section.

"LOCAL EDUCATIONAL AGENCY ASSESSMENT

"SEC. 209. (a) Each local educational agency which desires to receive a payment from the State educational agency pursuant to section 206 shall provide to the State

educational agency an assessment of the local educational agency's need for assistance in—

"(1) teacher training, retraining, and inservice training and the training of appropriate school personnel in the areas of mathematics, science, and computer learning, including a description of the availability and qualifications of teachers in the areas of mathematics, science, and computer learning, including the qualifications of teachers at the elementary level to teach in such areas;

"(2) improving instructional materials and equipment related to mathematics and science education; and

"(3) improving the access to instruction in mathematics, science, and computer learning of historically underserved and underrepresented individuals and of the gifted and talented, and an assessment of the current degree of access to such instruction of such individuals.

"(b) Such assessment shall also describe the types of services to be provided pursuant to the program assisted under section 206, a description of how the services assisted will meet the program needs of the local educational agency, and in the second year for which funds under this title are

made available, a description of how the services assisted will address unmet needs described under section 208.

"(c) If a local educational agency determines, pursuant to section 206(b)(1), that the agency has met its teacher training, retraining, and inservice training needs in mathematics and science and desires to expend all or a portion of its funds on other activities prescribed in section 206(b)(1)(B), the local educational agency may request the State educational agency to waive such training requirements. If the State educational agency determines that the local educational agency has met teacher training needs, the State educational agency shall grant the waiver.

"PARTICIPATION OF CHILDREN AND TEACHERS FROM PRIVATE SCHOOLS

"SEC. 210. (a) To the extent consistent with the number of children in the State or in the school district of each local educational agency who are enrolled in private nonprofit elementary and secondary schools, such State or agency shall, after consultation with appropriate private school representatives, make provision for including services and arrangements for the benefit of such children as will assure the equitable participation of such children in the purposes and benefits of this title.

"(b) To the extent consistent with the number of children in the State or in the school district of a local educational agency who are enrolled in private nonprofit elementary

and secondary schools, such State, State educational agency, or State agency for higher education shall, after consultation with appropriate private school representatives, make provision, for the benefit of such teachers in such schools, for such inservice and teacher training and retraining as will assure equitable participation of such teachers in the purposes and benefits of this title.

"(c) If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation of children or teachers from private nonprofit schools as required by subsections (a) and (b), or if the Secretary determines that a State or local educational agency has substantially failed or is unwilling to provide for such participation on an equitable basis, the Secretary shall waive such requirements and shall arrange for the provision of services to such children or teachers which shall be subject to the requirements of this section. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with sections 577(b) (3) and (4) of the Education Consolidation and Improvement Act of 1981.

"SECRETARY'S DISCRETIONARY FUND FOR PROGRAMS OF NATIONAL SIGNIFICANCE

"SEC. 211. (a) From the amount reserved by the Secretary under section 204(a)(2)(A), the Secretary is authorized to carry out directly, or through grants, cooperative agree-

ments, or contracts, projects which are authorized by this section.

"(b)(1) From amounts available under this section in each fiscal year, the Secretary shall make grants to and enter into cooperative agreements with State and local educational agencies, institutions of higher education, and private nonprofit organizations, including museums, libraries, educational television stations, and professional science, mathematics, and engineering societies and associations for programs of national significance in mathematics and science instruction, computer learning, and foreign language instruction in critical languages. The Secretary shall give special consideration to provide assistance to local educational agencies, or consortia thereof, to establish or improve magnet schools for gifted and talented students. In awarding of grants and cooperative agreements the Secretary shall give special consideration to local educational agencies, institutions of higher education, and private nonprofit organizations, including museums, libraries, educational television stations, and professional science, mathematics, and engineering societies and associations providing special services to historically underserved and underrepresented populations in the fields of mathematics and science.

"(2) The Secretary, from the amount available under paragraph (1) for each fiscal year, shall reserve not to exceed

$3,000,000 in each such year for the Assistant Secretary of the Office of Educational Research and Improvement for the purpose of conducting evaluation and research activities. Such evaluation and research activities shall include—

"(A) a policy analysis of alternative methods to improve instruction in mathematics and science;

"(B) an annual evaluation of the programs assisted under this title; and

"(C) research on improving teacher training, retraining, inservice training, and retention, as well as the development of curriculum and materials in the fields of mathematics and science.

"PAYMENTS

"SEC. 212. (a) From the amounts appropriated under section 203(b), the Secretary shall pay, in accordance with the provisions of this title, the costs of the programs and activities described in the application approved under section 209, and the costs of programs of national significance under section 212.

"(b) Payments under this title shall be made as soon after approval of the application as practical.".

SEC. 6003. PARTNERSHIPS IN EDUCATION FOR MATHEMATICS, SCIENCE, AND ENGINEERING REAUTHORIZED.

Section 304(b) of the Act is amended by striking out "1987, and 1988," and inserting in lieu thereof the following: "1987, and $20,000,000 for the fiscal year 1988 and *such sums as may be necessary for each of the succeeding fiscal years ending prior to October 1, 1993,".*

SEC. 6004. PRESIDENTIAL AWARD FOR FOREIGN LANGUAGE TEACHERS.

(a) GENERAL AUTHORITY.—(1) Section 401(a) of the Education for Economics Security Act is amended—

(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end thereof the following new paragraph:

"(2) The President is authorized to make Presidential awards for teaching excellence in foreign languages to elementary and secondary school teachers of foreign languages who have demonstrated outstanding teaching qualifications in the field of teaching foreign languages.".

(2) Section 401(b) of such Act is amended by striking out "100 awards under subsection (a) of this section" and inserting in lieu thereof the following: "104 awards under paragraph (1) of subsection (a) of this section, and 104 awards under paragraph (2) of subsection (a) of this section".

(3) Section 403(a) of such Act is amended—

(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end thereof the following new paragraph:

"(2) There are authorized to be appropriated $1,000,000 for each fiscal year to carry out the provisions of paragraph (2) of section 401(a).".

(b) TECHNICAL AMENDMENT.—The heading of title IV of such Act is amended to read as follows:

"TITLE IV—PRESIDENTIAL AWARDS FOR TEACHING EXCELLENCE IN MATHEMATICS AND SCIENCE AND IN FOREIGN LANGUAGES".

SEC. 6005. STAR SCHOOLS PROGRAM AUTHORIZED.

The Education for Economic Security Act is amended by adding at the end thereof the following new title:

"TITLE IX—STAR SCHOOLS PROGRAM

"SHORT TITLE

"SEC. 901. This title may be cited as the 'Star Schools Program Assistance Act'.

"STATEMENT OF PURPOSE

"SEC. 902. It is the purpose of this title to encourage improved instruction in mathematics, science, and foreign languages through a star schools program under which demonstration grants are made to eligible telecommunications partnerships to enable such eligible telecommunications partnerships to develop, construct, and acquire telecommunications audio and visual facilities and equipment, to develop

and acquire instructional programming, and obtain technical assistance for the use of such facilities and instructional programming.

"PROGRAM AUTHORIZED

"SEC. 903. (a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this title, to make grants to eligible telecommunications partnerships to develop, construct, and acquire telecommunications facilities and equipment, to develop and acquire instructional programming, and for technical assistance.

"(b) AUTHORIZATION OF APPROPRIATIONS.—(1) There is authorized to be appropriated $100,000,000 for the period beginning October 1, 1988, and ending September 30, 1992.

"(2) No appropriation in excess of $60,000,000 may be made in any fiscal year pursuant to paragraph (1) of this subsection.

"(c) LIMITATIONS.—(1)(A) A demonstration grant made to an eligible telecommunications partnership under this title may not exceed $10,000,000.

"(B) An eligible telecommunications partnership may receive a grant for a second year under this title, but in no event may such a partnership receive more than $20,000,000.

"(2) Not less than 25 percent of the funds available in any fiscal year under this Act shall be used for the cost of instructional programming.

"(3) Not less than 50 percent of the funds available in any fiscal year under this Act shall be used for the cost of facilities, equipment, teacher training or retraining, technical assistance, or programming, for local educational agencies which are eligible to receive assistance under chapter 1 of title I of this Act.

"ELIGIBLE TELECOMMUNICATIONS PARTNERSHIPS

"SEC. 904. (a) GENERAL RULE.—In order to be eligible for demonstration grants under this title, an eligible telecommunications partnership shall consist of—

"(1) a public agency or corporation established for the purpose of developing and operating telecommunications networks to enhance educational opportunities provided by educational institutions, teacher training centers, health institutions, and industry, except that any such agency or corporation shall contain representation of the interests of elementary and secondary schools which are eligible to participate in the program under chapter 1 of title I of this Act; or

"(2) a partnership which includes three or more of the following which will provide a telecommunications network:

"(A) a local educational agency, which has a significant number of elementary and secondary schools which are eligible for assistance under chapter 1 of title I of this Act or elementary and secondary schools operated for Indian children by the Department of the Interior eligible under section 1005(d) of this Act,

"(B) a State educational agency,

"(C) an institution of higher education,

"(D) a teacher training center, or

"(E)(i) a public agency with experience or expertise in the planning or operation of a telecommunications network,

"(ii) a private organization with such experience, or

"(iii) a public broadcasting entity with such experience.

"(b) SPECIAL RULE.—An eligible telecommunications partnership must be organized on a statewide or multistate basis.

"APPLICATIONS

"SEC. 905. (a) APPLICATION REQUIRED.—Each eligible telecommunications partnership which desires to receive a demonstration grant under this title may submit an application to the Secretary, at such time, in such manner, and

containing or accompanied by such information as the Secretary may reasonably require.

"(b) Contents of Application.—Each such application shall—

"(1) describe the telecommunications facilities and equipment and technical assistance for which assistance is sought which may include—

"(A) the design, development, construction, and acquisition of State or multistate educational telecommunications networks and technology resource centers;

"(B) microwave, fiber optics, cable, and satellite transmission equipment;

"(C) reception facilities;

"(D) satellite time;

"(E) production facilities;

"(F) other telecommunications equipment capable of serving a wide geographic area;

"(G) the provision of training services to elementary and secondary school teachers (particularly teachers in schools receiving assistance under chapter 1 of title I of this Act in using the facilities and equipment for which assistance is sought; and

"(H) the development of educational programming for use on a telecommunications network;

"(2) describe, in the case of an application for assistance for instructional programming, the types of programming which will be developed to enhance instruction and training;

"(3) demonstrate that the eligible telecommunications partnership has engaged in sufficient survey and analysis of the area to be served to ensure that the services offered by the telecommunications partnership will increase the availability of courses of instruction in mathematics, science, and foreign languages;

"(4) describe the teacher training policies to be implemented to ensure the effective use of the telecommunications facilities and equipment for which assistance is sought;

"(5) provide assurances that the financial interest of the United States in the telecommunications facilities and equipment will be protected for the useful life of such facilities and equipment;

"(6) provide assurances that a significant portion of the facilities, equipment, technical assistance, and programming for which assistance is sought will be made available to elementary and secondary schools of

local educational agencies which have a high percentage of children counted for the purpose of chapter 1 of title I of this Act;

"(7) describe the manner in which traditionally underserved students will participate in the benefits of the telecommunications facilities, equipment, technical assistance, and programming assisted under this Act; and

"(8) provide such additional assurances as the Secretary may reasonably require.

"(c) APPROVAL OF APPLICATION; PRIORITY.—The Secretary shall, in approving applications under this title, give priority to applications which demonstrate that—

"(1) a concentration and quality of mathematics, science, and foreign language resources which, by their distribution through the eligible telecommunications partnership, will offer significant new educational opportunities to network participants, particularly to traditionally underserved populations and areas with scarce resources and limited access to courses in mathematics, science, and foreign languages;

"(2) the eligible telecommunications partnership has secured the direct cooperation and involvement of public and private educational institutions, State and

local government, and industry in planning the network;

"(3) the eligible telecommunications partnership will serve the broadest range of institutions, including public and private elementary and secondary schools (particularly schools having significant numbers of children counted for the purpose of chapter 1 of title I of this Act, programs providing instruction outside of the school setting, institutions of higher education, teacher training centers, research institutes, and private industry;

"(4) a significant number of educational institutions have agreed to participate or will participate in the use of the telecommunications system for which assistance is sought;

"(5) the eligible telecommunications partnership will have substantial academic and teaching capabilities including the capability of training, retraining, and inservice upgrading of teaching skills;

"(6) the eligible telecommunications partnership will serve a multistate area; and

"(7) the eligible telecommunications partnership will, in providing services with assistance sought under this Act, meet the needs of groups of individuals traditionally excluded from careers in mathematics and sci-

ence because of discrimination, inaccessibility, or economically disadvantaged backgrounds.

"(d) GEOGRAPHIC DISTRIBUTION.*—In approving applications under this title, the Secretary shall assure an equitable geographic distribution of grants.*

"DISSEMINATION OF COURSES AND MATERIALS UNDER THE STAR SCHOOLS PROGRAM

*"*SEC. *906. (a)* REPORT.*—Each eligible telecommunications partnership awarded a grant under this Act shall report to the Secretary a listing and description of available courses of instruction and materials to be offered by educational institutions and teacher training centers which will be transmitted over satellite, specifying the satellite on which such transmission will occur and the time of such transmission.*

"(b) DISSEMINATION OF COURSES OF INSTRUCTION.*—The Secretary shall compile and prepare for dissemination a listing and description of available courses of instruction and materials to be offered by educational institutions and teacher training centers equipped with satellite transmission capabilities, as reported to the Secretary under subsection (a) of this section.*

"(c) DISSEMINATION TO STATE EDUCATIONAL AGENCIES.*—The Secretary shall distribute the list required by subsection (b) of this section to all State educational agencies.*

"EVALUATION

"SEC. 907. (a) EVALUATION.—The Office of Technology Assessment may, upon request, beginning after September 30, 1987, conduct a thorough evaluation of the use of the telecommunications systems supported by grants made under this title.

"(b) REPORTS.—The Office of Technology Assessment shall, after a request made under subsection (a), prepare and submit a report to the Congress, on the evaluation authorized by this subsection.

"STUDY OF FEASIBILITY OF AN EDUCATIONAL SATELLITE

"SEC. 908. (a) EVALUATION.—The Office of Technology Assessment may, upon request, conduct a study and evaluation of the cost of designing, building, and launching a satellite for educational purposes, together with an analysis of—

"(1) the demand for the use of a satellite for educational purposes; and

"(2) the ability of users of such a system to repay the cost of such a satellite.

"(b) NOTIFICATION.—If the Office of Technology Assessment finds, after a study and evaluation conducted under subsection (a), that the cost entailed in designing, building, and launching such a satellite could be repaid within 10 years by the potential users of such a satellite, the Office of

Technology Assessment shall notify the Congress of its findings.

"DEFINITIONS

"SEC. 909. As used in this title—

"(1) the term 'educational institution' means an institution of higher education, a local educational agency, and a State educational agency;

"(2) the term 'institution of higher education' has the same meaning given that term under section 1201(a) of the Higher Education Act of 1965;

"(3) the term 'local educational agency' has the same meaning given that term under section 1471(10) of this Act;

"(4) the term 'instructional programming' means courses of instruction, and training courses, and materials for use in such instruction and training which have been prepared in audio and visual form on tape, disc, film, or live, and presented by means of telecommunications devices;

"(5) the term 'public broadcasting entity' has the same meaning given that term in section 397 of the Communications Act of 1934;

"(6) the term 'Secretary' means the Secretary of Education;

"(7) the term 'State educational agency' has the same meaning given that term under section 1471(16) of this Act; and

"(8) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.".

SEC. 6006. REPEAL.

Title VI of the Education for Economic Security Act is repealed.

PART B—FOREIGN LANGUAGE ASSISTANCE

SEC. 6501. SHORT TITLE.

This part may be cited as the "Foreign Language Assistance Act of 1987".

SEC. 6502. FINDINGS.

The Congress finds that the economic and security interests of this Nation require significant improvement in the quantity and quality of foreign language instruction offered in the Nation's elementary and secondary schools, and Federal funds should be made available to assist the purpose of this part.

SEC. 6503. PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary shall make grants to State educational agencies whose applications are

approved under subsection (b) to pay the Federal share of the cost of model programs, designed and operated by local educational agencies, providing for the commencement or improvement and expansion of foreign language study for students.

(b) A*PPLICATION*.—*Any State educational agency desiring to receive a grant under this part shall submit an application therefor to the Secretary at such time, in such form, and containing such information and assurances as the Secretary may require. No application may be approved by the Secretary unless the application—*

(1) contains a description of model programs which—

(A) are designed by local educational agencies and are available without regard to whether students attend the schools operated by such agency,

(B) represents a variety of alternative and innovative approaches to foreign language instruction, and

(C) are selected on a competitive basis by the State educational agency;

(2) provides assurances that all children aged 5 through 17 who reside within the school district of the local educational agency shall be eligible to participate

in any model program funded under this section (without regard to whether such children attend schools operated by such agency);

(3) provides assurances that the State will pay the non-Federal share of the activities for which assistance is sought from non-Federal sources; and

(4) provides that the local educational agency will provide standard evaluations of the proficiency of participants at appropriate intervals in the program which are reliable and valid, and provide such evaluations to the State educational agency.

(c) FEDERAL SHARE.—(1) The Federal share for each fiscal year shall be 50 percent.

(2) The Secretary may waive the requirement of paragraph (1) for any local educational agency which the Secretary determines does not have adequate resources to pay the non-Federal share of the cost of the project.

(d) PARTICIPATION OF PRIVATE SCHOOLS.—(1) To the extent consistent with the number of children in the State or in the school district of each local educational agency who are enrolled in private elementary and secondary schools, such State or agency shall, after consultation with appropriate private school representatives, make provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile

educational services and equipment) in which such children can participate and which meet the requirements of this section. Expenditures for educational services and arrangements pursuant to this subsection for children in private schools shall be equal (taking into account the number of children to be served and the needs of such children) to expenditures for children enrolled in the public schools of the State or local educational agency.

(2) If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation of children from private schools as required by paragraph (1), or if the Secretary determines that a State or local educational agency has substantially failed or is unwilling to provide for such participation on an equitable basis, the Secretary shall waive such requirements and shall arrange for the provision of services to such children which shall be subject to the requirements of this subsection. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with section 557(b) (3) and (4) of the Education Consolidation and Improvement Act of 1981.

SEC. 6504. ALLOTMENT.

(a) GENERAL RULE.—(1) From the sums appropriated to carry out this part in any fiscal year, the Secretary shall reserve 1 percent for payments to Guam, American Samoa,

the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with their respective needs.

(2) From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school age population of the State bears to the school age population of all States, except that no State shall receive less than an amount equal to one-half of 1 percent of such remainder.

(b) AVAILABILITY OF FUNDS.—The allotment of a State under subsection (a) shall be made available to the State for 2 additional years after the first fiscal year during which the State receives its allotment under this section if the Secretary determines that the funds made available to the State during the first such year were used in the manner required under the State's approved application.

SEC. 6505. DEFINITIONS.

(a) GENERAL RULE.—For the purpose of this part, the term "foreign language instruction" means instruction in critical foreign languages as defined by the Secretary.

(b) SPECIAL RULE.—For the purpose of section 6504—

(1) the term "school age population" means the population aged 5 through 17; and

(2) the term "States" includes the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 6506. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $21,000,000 for the fiscal year 1989, $22,000,000 for the fiscal year 1990, $23,000,000 for the fiscal year 1991, $24,000,000 for the fiscal year 1992, and $25,000,000 for the fiscal year 1993 to carry out this part.

TITLE VII—BILINGUAL EDUCATION PROGRAMS

SEC. 7001. SHORT TITLE.

This title may be cited as the "Bilingual Education Act."

SEC. 7002. POLICY; APPROPRIATIONS.

(a) POLICY.—Policy recognizing—

(1) that there are large and growing numbers of children of limited English proficiency;

(2) that many of such children have a cultural heritage which differs from that of English proficient persons;

(3) that the Federal Government has a special and continuing obligation to assist in providing equal educational opportunity to limited English proficient children;

(4) that, regardless of the method of instruction, programs which serve limited English proficient students have the equally important goals of developing academic achievement and English proficiency;

(5) that the Federal Government has a special and continuing obligation to assist language minority students to acquire the English language proficiency that will enable them to become full and productive members of society;

(6) that a primary means by which a child learns is through the use of such child's native language and cultural heritage;

(7) that, therefore, large numbers of children of limited English proficiency have educational needs which can be met by the use of bilingual educational methods and techniques;

(8) that in some school districts establishment of bilingual education programs may be administratively impractical due to the presence of small numbers of students of a particular native language or because personnel who are qualified to provide bilingual instructional services are unavailable;

(9) that States and local school districts should be encouraged to determine appropriate curricula for limited English proficient students within their jurisdic-

tions and to develop and implement appropriate instructional programs;

(10) that children of limited English proficiency have a high dropout rate and low median years of education;

(11) that the segregation of many groups of limited English proficient students remains a serious problem;

(12) that both limited English proficient children and children whose primary language is English can benefit from bilingual education programs, and that such programs help develop our national linguistic resources;

(13) that research, evaluation, and data collection capabilities in the field of bilingual education need to be strengthened so as to better identify and promote those programs and instructional practices which result in effective education;

(14) that parent and community participation in bilingual education programs contributes to program effectiveness; and

(15) that because of limited English proficiency, many adults are not able to participate fully in national life, and that limited English proficient parents are

often not able to participate effectively in their children's education,

the Congress declares it to be the policy of the United States, in order to establish equal educational opportunity for all children and to promote educational excellence (A) to encourage the establishment and operation, where appropriate, of educational programs using bilingual educational practices, techniques, and methods, (B) to encourage the establishment of special alternative instructional programs for students of limited English proficiency in school districts where the establishment of bilingual education programs is not practicable or for other appropriate reasons, and (C) for those purposes, to provide financial assistance to local educational agencies, and, for certain related purposes, to State educational agencies, institutions of higher education, and community organizations. The programs assisted under this title include programs in elementary and secondary schools as well as related preschool and adult programs which are designed to meet the educational needs of individuals of limited English proficiency, with particular attention to children having the greatest need for such programs. Such programs shall be designed to enable students to achieve full competence in English. Such programs may additionally provide for the development of student competence in a second language.

(b) AUTHORIZATION.—(1) For the purpose of carrying out the provisions of this title, there are authorized to be appropriated, subject to paragraph (7) $168,000,000 for the fiscal year 1989, $176,500,000 for the fiscal year 1990, $185,300,000 for the fiscal year 1991, $194,500,000 for the fiscal year 1992, and $200,400,000 for the fiscal year 1993.

(2) There are further authorized to be appropriated to carry out the provisions of section 7032, such sums as may be necessary for fiscal year 1989 and each of the 4 succeeding fiscal years, subject to paragraph (7).

(3) From the sums appropriated under paragraph (1) for part A for any fiscal year, the Secretary may reserve not to exceed 25 percent for special alternative instructional programs and related activities authorized under section 7021(a)(3) and may include programs under section 7021(a) (2), (4), (5), and (6).

(4) From the sums appropriated under paragraph (1) for any fiscal year, the Secretary shall reserve at least 60 percent for the programs carried out under part A of this Act; and of this amount, at least 75 percent shall be reserved for the programs of transitional bilingual education carried out under section 7021(a)(1), and may include programs under section 7021(a) (2), (4), (5), and (6).

(5) From the sums appropriated under paragraph (1) for any fiscal year, the Secretary shall reserve at least 25 percent for training activities carried out under part C.

(6) Notwithstanding paragraphs (1) and (2), no amount in excess of $176,000,000 is authorized to be appropriated to carry out the provisions of this title (including section 7032) for fiscal year 1989.

(7) The reservation required by paragraph (3) shall not result in changing the terms, conditions, and negotiated levels of any grant awarded in fiscal year 1987 to which section 7021(d)(1)(A), 7021(d)(1)(C), 7021(d)(2), or 7021(d)(3) applies.

SEC. 7003. DEFINITIONS; REGULATIONS.

(a) GENERAL RULE.—The following definitions shall apply to the terms used in this title:

(1) The terms "limited English proficiency" and "limited English proficient" when used with reference to individuals means—

(A) individuals who were not born in the United States or whose native language is a language other than English;

(B) individuals who come from environments where a language other than English is dominant, as further defined by the Secretary by regulation; and

(C) individuals who are American Indian and Alaskan Natives and who come from environments where a language other than English has had a significant impact on their level of English language proficiency, subject to such regulations as the Secretary determines to be necessary;

and who, by reason thereof, have sufficient difficulty speaking, reading, writing, or understanding the English language to deny such individuals the opportunity to learn successfully in classrooms where the language of instruction is English or to participate fully in our society.

(2) The term "native language", when used with reference to an individual of limited English proficiency, means the language normally used by such individuals, or in the case of a child, the language normally used by the parents of the child.

(3) The term "low-income" when used with respect to a family means an annual income for such a family which does not exceed the poverty level determined pursuant to section 1005(c)(2)(A) of this Act.

(4)(A) The term "program of transitional bilingual education" means a program of instruction, designed for children of limited English proficiency in elementary or secondary schools, which provides, with

respect to the years of study to which such program is applicable, structured English language instruction, and, to the extent necessary to allow a child to achieve competence in the English language, instruction in the child's native language. Such instruction shall incorporate the cultural heritage of such children and of other children in American society. Such instruction shall, to the extent necessary, be in all courses or subjects of study which will allow a child to meet grade-promotion and graduation standards.

(B) In order to prevent the segregation of children on the basis of national origin in programs of transitional bilingual education, and in order to broaden the understanding of children about languages and cultural heritages other than their own, a program of transitional bilingual education may include the participation of children whose language is English, but in no event shall the percentage of such children exceed 40 percent. The program may provide for centralization of teacher training and curriculum development, but it shall serve such children in the schools which they normally attend.

(C) In such courses or subjects of study as art, music, and physical education, a program of transitional bilingual education shall make provision for the

participation of children of limited English proficiency in regular classes.

(D) Children enrolled in a program of transitional bilingual education shall, if graded classes are used, be placed, to the extent practicable, in classes with children of approximately the same age and level of educational attainment. If children of significantly varying ages or levels of educational attainment are placed in the same class, the program of transitional bilingual education shall seek to insure that each child is provided with instruction which is appropriate for his or her level of educational attainment.

(5)(A) The term "program of developmental bilingual education" means a full-time program of instruction in elementary and secondary schools which provides, with respect to the years of study to which such program is applicable, structured English language instruction and instruction in a second language. Such programs shall be designed to help children achieve competence in English and a second language, while mastering subject matter skills. Such instruction shall, to the extent necessary, be in all courses or subjects of study which will allow a child to meet grade-promotion and graduation standards.

(B) Where possible, classes in programs of developmental bilingual education shall be comprised of approximately equal numbers of students whose native language is English and limited English proficient students whose native language is the second language of instruction and study in the program.

(6) The term "special alternative instructional programs" means programs of instruction designed for children of limited English proficiency in elementary and secondary schools. Such programs are not transitional or developmental bilingual education programs, but have specially designed curricula and are appropriate for the particular linguistic and instructional needs of the children enrolled. Such programs shall provide, with respect to the years of study to which such program is applicable, structured English language instruction and special instructional services which will allow a child to achieve competence in the English language and to meet grade-promotion and graduation standards.

(7) The term "family English literacy program" means a program of instruction designed to help limited English proficient adults and out-of-school youth achieve competence in the English language. Such programs of instruction may be conducted exclusively in

English or in English and the student's native language. Where appropriate, such programs may include instruction on how parents and family members can facilitate the educational achievement of limited English proficient children. To the extent feasible, preference for participation in such programs shall be accorded to the parents and immediate family members of children enrolled in programs assisted under this title.

(8) The term "programs of academic excellence" means programs of transitional bilingual education, developmental bilingual education, or special alternative instruction which have an established record of providing effective, academically excellent instruction and which are designed to serve as models of exemplary bilingual education programs and to facilitate the dissemination of effective bilingual educational practices.

(9) The term "Office" means the Office of Bilingual Education and Minority Languages Affairs.

(10) The term "Director" means the Director of the Office of Bilingual Education and Minority Languages Affairs.

(11) The term "Secretary" means the Secretary of Education.

(12) The term "other programs for persons of limited English proficiency" when used in this title

means any programs within the Department of Education directly involving bilingual education activities serving persons of limited English proficiency, such as the programs carried out in coordination with the provisions of this title pursuant to part E of title IV of the Carl D. Perkins Vocational Education Act, and section 306(b)(11) of the Adult Education Act, and programs and projects serving individuals of limited English proficiency pursuant to section 6(b)(4) of the Library Services and Construction Act.

(b) REGULATION REQUIREMENT.—(1) In prescribing regulations under this title, the Secretary shall consult with State and local educational agencies, organizations representing persons of limited English proficiency, and organizations representing teachers and other personnel involved in bilingual education.

(2) The Secretary shall not prescribe under this title any regulations further defining the terms defined in paragraphs (4), (5), (6), (7), and (8) of subsection (a), or any regulations restricting or expanding the definitions contained in such paragraphs.

(c) SPECIAL INFORMATION RULE.—Parents of children participating in programs assisted under this title shall be informed of the instructional goals of the program and the progress of their children in such program. To the extent

practicable, the information provided to parents pursuant to this subsection shall be in a language and form the parents understand.

PART A—FINANCIAL ASSISTANCE FOR BILINGUAL EDUCATION PROGRAMS

SEC. 7021. BILINGUAL EDUCATION PROGRAMS.

(a) USE OF FUNDS.—Funds available for grants under this part shall be used for the establishment, operation, and improvement of—

(1) programs of transitional bilingual education;

(2) programs of developmental bilingual education;

(3) special alternative instructional programs for students of limited English proficiency;

(4) programs of academic excellence;

(5) family English literacy programs;

(6) bilingual preschool, special education, and gifted and talented programs preparatory or supplementary to programs such as those assisted under this Act; and

(7) programs to develop instructional materials in languages for which such materials are commercially unavailable.

(b) APPLICATION REQUIRED.—(1) A grant may be made under subsection (a) (1), (2), (3), or (4) of this section

only upon application therefore by one or more local educational agencies or by institutions of higher education, including junior or community colleges, applying jointly with one or more local educational agencies.

(2) A grant may be made under subsection (a) (5) or (6) only upon application therefore by one or more local educational agencies; institutions of higher education, including junior or community colleges; and private nonprofit organizations, applying separately or jointly.

(c) MANNER OF FILING AND CONTENTS OF APPLICATION.—(1) Any application for a grant authorized under subsection (a) of this section shall be made to the Secretary at such time, and in such manner, as the Secretary deems appropriate.

(2) Applications for grants authorized under subsections (a)(1), (a)(2), and (a)(3) of this section, shall contain information regarding—

(A) the number of children enrolled in programs conducted by the local educational agency;

(B) the number of children residing in the area served by the local educational agency who are enrolled in private schools;

(C)(i) the number of children enrolled in public and private schools in the area served by the local educational agency who are limited in their English profi-

ciency; (ii) the method used by the applicant to make this determination; and (iii) evidence of the educational condition of the limited English proficient students, such as reading, mathematics, and subject matter test scores, and, where available, data on grade retention rates, rates of referral to or placement in special education programs, and student dropout rates;

(D) the number of limited English proficient children who are enrolled in instructional programs specifically designed to meet their educational needs, as well as descriptions of such programs;

(E) the number of limited English proficient children enrolled in public or private schools in the area served by the local educational agency who need or could benefit from education programs such as those assisted under this title;

(F) the number of children who are to receive instruction through the proposed program and the extent of their educational needs;

(G) a statement of the applicant's ability to serve children of limited English proficiency, including an assessment of the qualifications of personnel who will participate in the proposed project and of the need for further training of such personnel;

(H) the resources needed to develop and operate or improve the proposed program;

(I) the activities which would be undertaken under the grant and how these activities will improve the educational attainment of students and expand the capacity of the applicant to operate programs such as those assisted under this Act when Federal assistance under this section is no longer available; and

(J) the specific educational goals of the proposed program and how achievement of these goals will be measured.

(3) An application for a grant under subsection (a)(3) of this section shall receive priority if the application is made on behalf of (A) a local educational agency having schools in which many languages are represented; (B) a local educational agency that does not have personnel qualified to provide bilingual instructional services; or (C) a local educational agency having a small number of students in the schools of such agency that because of isolation or regional location is unable to obtain a native language teacher.

(4) Applications for grants authorized under subsection (a)(4) shall contain information regarding—

(A) the number of children served by the existing bilingual education program and evidence of their educational condition prior to enrollment in the program;

(B) a description of the existing program as well as the educational background and linguistic competencies of program personnel;

(C) the extent to which the program has promoted student academic achievement as indicated by objective evidence, such as improvements in language, mathematics, and subject matter test scores; grade retention rates; rates of referral to or placement in special education programs; student dropout rates; and, where appropriate, postsecondary education and employment experiences of students;

(D) the extent of parent involvement in and satisfaction with the existing bilingual education program; and

(E) how the activities carried out under the grant would utilize and promote programs of academic excellence which employ bilingual educational practices, techniques, and methods.

(5) Applications for grants authorized under subsection (a)(5) shall contain information regarding—

(A) the number of limited English proficient parents and out-of-school family members of limited English proficient students who would be served by the English literacy program;

(B) the activities which would be undertaken under the grant and how these activities will promote English literacy and enable parents and family members to assist in the education of limited English proficient children;

(C) the extent to which the persons to be served by the program have been involved in its development;

(D) applicant's prior experience and performance in providing educational programs to limited English proficient adults and out-of-school youth;

(E) with respect to applications by a local educational agency, the extent to which limited English proficient students enrolled in the educational agency are served by programs specifically designed to meet their needs; and

(F) with respect to other applicants, a description of how the applicant will coordinate its program with a local education agency to ensure that the program will help limited English proficient family members promote the academic progress of limited English proficient children.

(d) DURATION OF GRANTS.—(1)(A) Grants made pursuant to subsections (a)(1), (a)(2), and (a)(3) of this section shall be for 3 years.

(B) During the first 6 months of grants made pursuant to subsections (a)(1), (a)(2), and (a)(3) of this section, an applicant shall engage exclusively in preservice activities. Such activities may include program design, materials development where such materials are commercially unavailable, staff recruitment and training, development of evaluation mechanisms and procedures, and the operation of programs to involve parents in the educational program and to enable parents and family members to assist in the education of limited English proficient children. This subparagraph may be waived by the Secretary upon a determination that an applicant is prepared to operate successfully the proposed instructional program.

(C) Upon reapplication, grants authorized under subsections (a)(1), (a)(2), and (a)(3) of this section shall be renewed for 2 additional years unless the Secretary determines that—

(i) the applicant's program does not comply with the requirements set out in this title;

(ii) the applicant's program has not made substantial progress in achieving the specific educational goals set out in the original application; or

(iii) there is no longer a need for the applicant's program.

(D) Parents or legal guardians of students identified for enrollment in bilingual education programs shall be informed of (i) the reasons for the selection of their child as in need of bilingual education, (ii) the alternative educational programs that are available, and (iii) the nature of the bilingual education program and of the instructional alternatives. Parents shall also be informed that they have the option of declining enrollment of their children in such programs and shall be given an opportunity to do so if they so choose. To the extent practicable, the information provided to parents pursuant to this subsection shall be in a language and form the parents understand.

(2) Grants made pursuant to subsections (a)(4) and (a)(5) shall be for 3 years.

(3) Grants made pursuant to subsections (a)(6) and (a)(7) shall be for a period of 1 to 3 years.

(4)(A) No student may be enrolled in a bilingual program for which a grant is made under subsection (a)(1) or (a)(3) of this section for a period of more than 3 years, except, where only Federal funds are available for bilingual education, and the school in which the student is enrolled—

(i) conducts a comprehensive evaluation of the overall academic progress of the student, and

(ii) the results of the evaluation indicate that failure to master English is impeding the academic

355

progress of the student in meeting grade promotion and graduation standards, and in the case of a handicapped child attainment of the objective in the child's individualized education program.

Any student with respect to whom the requirements of this paragraph are met, may remain in the program for a fourth year, except as provided in division (ii) of subparagraph (B).

(B)(i) The evaluation required by paragraph (A) shall involve teachers and school personnel familiar with the students' overall academic progress. The results of such an evaluation shall be made available to the parents of the student.

(ii) An evaluation shall be carried out at the end of the fourth year the student is in the bilingual program described in subparagraph (A) if the student is to continue in the bilingual education program for a fifth year and shall be conducted in accordance with division (i) of this subparagraph.

(iii) Each evaluation shall indicate how the students' failure to master English will be addressed during the period a student is retained in a bilingual education program. The students' academic program during that period shall emphasize mastery of English.

(C) No student shall remain in a bilingual education program described in subparagraph (A) for more than 5 years.

(D) In carrying out this title, each local educational agency, institution of higher education, and private nonprofit organization having an application approved under this section may intensify instruction for limited English proficient students throughout the program by—

(i) expanding the educational calendar of the schools in which such student is enrolled to include programs before and after school and during the summer months;

(ii) lowering per pupil ratios, including the use of professional and volunteer aids; and

(iii) the application of technology to the course of instruction.

(e) CONSULTATION REQUIRED.—An application for a grant authorized under subsections (a)(1), (a)(2), and (a)(3) of this section shall—

(1) be developed in consultation with an advisory council, of which a majority shall be parents and other representatives of the children to be served in such programs, in accordance with criteria prescribed by the Secretary;

(2) be accompanied by documentation of such consultation and by the comments which the Council makes on the application;

(3) contain assurances that, after the application has been approved, the applicant will provide for the continuing consultation with, and participation by, the committee of parents, teachers, and other interested individuals which shall be selected by and predominantly composed of parents of children participating in the program, and in the case of programs carried out in secondary schools, representatives of the secondary students to be served; and

(4) include evidence that the State educational agency has been notified of the application and has been given the opportunity to offer recommendations thereon to the applicant and to the Secretary.

(f) APPLICATION APPROVAL.—An application for a grant under subsections (a)(1), (a)(2), and (a)(3) of this section may be approved only if the Secretary determines—

(1) that the program will use qualified personnel, including only those personnel who are proficient in the language or languages used for instruction;

(2) that in designing the program for which application is made, the needs of the children in nonprofit private elementary and secondary schools have been taken into account through consultation with appropriate private school officials; and, consistent with the number of such children enrolled in such schools in the

area to be served whose educational needs are of the type and whose language and grade levels are of a similar type which the program is intended to address, after consultation with appropriate private school officials, provision has been made for the participation of such children on a basis comparable to that provided for public school children;

(3) that the program will be evaluated in accordance with a plan that meets the requirements of section 7033 of this title;

(4) that Federal funds made available for the project or activity will be used so as to supplement the level of State and local funds that, in the absence of those Federal funds, would have been expended for special programs for children of limited English proficiency and in no case to supplant such State and local funds, except that nothing in this clause shall—

(A) preclude a local education agency from using funds under this title for activities carried out under an order of a court of the United States or of any State respecting services to be provided such children, or to carry out a plan approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 with respect to services to be provided such children; or

(B) authorize any priority or preference to be assigned by the Secretary to the funding of the activities under this title;

(5) that the assistance provided under the application will contribute toward building the capacity of the applicant to provide a program on a regular basis, similar to that proposed for assistance, which will be of sufficient size, scope, and quality to promise significant improvement in the education of children of limited English proficiency, and that the applicant will have the resources and commitment to continue the program when assistance under this title is reduced or no longer available;

(6) that the applicant will provide or secure training for personnel participating, or preparing to participate, in the program and that, to the extent possible, college or university credit will be awarded for such training; and

(7) that the provision of assistance proposed in the application is consistent with criteria established by the Secretary, after consultation with the State educational agency, for the purpose of achieving an equitable distribution of assistance under this part within the State in which the applicant is located, taking into consideration—

(A) the geographic distribution of children of limited English proficiency;

(B) the relative need of persons in different geographic areas within the State for the kinds of services and activities authorized under this title;

(C) with respect to grants to carry out programs described in subsections (a)(1), (a)(2), and (a)(3) of this section, the relative ability of particular local educational agencies within the State to provide such services and activities; and

(D) with respect to such grants, the relative numbers of persons from low-income families sought to be benefited by such programs.

(g) GENERAL PRIORITY RULE.—An application for a grant under subsection (a)(3) of this section may receive priority based upon the information provided by the applicant pursuant to clause (A), (B), or (C) of subsection (c)(3) of this section.

(h) SPECIAL PRIORITY RULES.—In the consideration of applications from local educational agencies to carry out programs authorized under this section, the Secretary shall give priority to applications from local educational agencies which are located in various geographical regions of the Nation and which propose to assist children of limited English proficiency who have historically been underserved by

programs of bilingual education, taking into consideration the relative numbers of such children in the schools of such local educational agencies and the relative need for such programs. In approving such applications, the Secretary shall, to the extent feasible, allocate funds appropriated in proportion to the geographical distribution of children of limited English proficiency throughout the Nation, with due regard for the relative ability of particular local educational agencies to carry out such programs and the relative numbers of persons from low-income families sought to be benefited by such programs.

(i) PROGRAMS FOR PUERTO RICO.—Programs authorized under this title in the Commonwealth of Puerto Rico may, notwithstanding any other provision of this title, include programs of instruction, teacher training, curriculum development, research, evaluation, and testing designed to improve the English proficiency of children, and may also make provision for serving the needs of students of limited proficiency in Spanish.

(j) NONPROFIT PRIVATE SCHOOL RULE.—If the Secretary determines that an applicant for assistance under this title is unable or unwilling to provide for the participation in the program for which assistance is sought of children of limited English proficiency enrolled in nonprofit, private

schools, as required by subsection (f)(2) of this section, the Secretary shall—

(1) withhold approval of such application until the applicant demonstrates that it is in compliance with those requirements; or

(2) reduce the amount of the grant to such applicant by the amount which is required for the Secretary to arrange (such as through a contract with a nonprofit, nonsectarian agency, organization, or institution) to assess the needs of the children in the area to be served for programs of the type authorized in this title and to carry out such programs for the children.

SEC. 7022. INDIAN CHILDREN IN SCHOOLS.

(a) TERMS DEFINED.—For the purpose of carrying out programs under this title for individuals served by elementary, secondary, or postsecondary schools operated predominantly for Indian or Alaskan Native children, an Indian tribe or a tribally sanctioned educational authority may be considered to be a local educational agency as such term is used in this title, subject to the following qualifications:

(1) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaskan Native Claims Settlement Act

(85 Stat. 688) which is recognized for the special programs and services provided by the United States to Indians because of their status as Indians.

(2) The term "tribally sanctioned educational authority" means any department or division of education operating within the administrative structure of the duly constituted governing body of an Indian tribe, as well as any nonprofit institution or organization which is chartered by the governing body of an Indian tribe to operate any such school or otherwise to oversee delivery of educational services to members of that tribe and which is approved by the Secretary for the purposes of this section.

(b) GENERAL AUTHORITY.—From the sums appropriated pursuant to section 7002(b), the Secretary is authorized to make payments to the applicants to carry out programs of bilingual education for Indian children on reservations served by elementary and secondary schools operated or funded by the Bureau of Indian Affairs.

(c) REPORT.—The Assistant Secretary of the Interior for the Bureau of Indian Affairs shall submit to the Congress, the President, and the Secretary by September 30 of each year an annual report which provides—

(1) an assessment of the needs of the Indian children with respect to the purposes of this title in schools

operated or funded by the Department of the Interior, including those tribes and local educational agencies receiving assistance under the Johnson-O'Malley Act (25 U.S.C. 452 et seq.); and

(2) an assessment of the extent to which such needs are being met by funds provided to such schools for educational purposes through the Secretary of the Interior.

PART B—DATA COLLECTION, EVALUATION, AND RESEARCH

SEC. 7031. USE OF FUNDS.

Funds available under this part shall be used for (1) collecting data on the number of limited English proficient persons and the educational services available to such persons, (2) evaluating the operation and effectiveness of programs assisted under this title, (3) conducting research to improve the effectiveness of bilingual education programs, and (4) collecting, analyzing, and disseminating data and information on bilingual education.

SEC. 7032. GRANTS FOR STATE PROGRAMS.

(a) IN GENERAL.—Upon an application from a State educational agency, the Secretary shall make provision for the submission and approval of a State program for the collection, aggregation, analysis, and publication of data and information on the State's population of limited English pro-

ficient persons and the educational services provided or available to such individuals.

(b) R*EPORT*.—*State programs under this part shall provide for the annual submission of a report to the Secretary containing data and information on such matters as the Secretary shall, by regulation, determine necessary and proper to achieve the purposes of this title, including the matters specified in section 7021(c)(2). Such reports shall be in such form and shall be submitted on such date as the Secretary shall specify by regulation. State programs shall provide for the dissemination of information regarding these matters to the public, and particularly to persons of limited English proficiency.*

(c) U*SES OF* F*UNDS*.—*State programs authorized under this section may also provide for—*

(1) the planning and development of educational programs such as those assisted under this title;

(2) the review and evaluation of programs of bilingual education, including bilingual education programs that are not funded under this title;

(3) the provision, coordination, or supervision of technical and other forms of nonfinancial assistance to local educational agencies, community organizations, and private elementary and secondary schools that serve limited English proficient persons;

(4) the development and administration of instruments and procedures for the assessment of the educational needs and competencies of persons of limited English proficiency;

(5) the training of State and local educational agency staff to carry out the purposes of this title; and

(6) other activities and services designed to build the capacity of State and local educational agencies to serve the educational needs of persons of limited English proficiency.

(d) PAYMENT RULE.—Except as provided in the second sentence of this subparagraph, the Secretary shall pay from the amounts appropriated for the purposes of this section pursuant to section 7002(b)(2) for each fiscal year to each State educational agency which has a State program submitted and approved under subsection (a) of this section such sums as may be necessary for the proper and efficient conduct of such State program. The amount paid by the Secretary to any State educational agency under the preceding sentence for any fiscal year shall not be less than $50,000 nor greater than 5 percent of the aggregate of the amounts paid under section 7021 for programs within such State in the fiscal year preceding the fiscal year to which this limitation applies.

(e) MAINTENANCE OF EFFORT RULE.—Funds made available under this section for any fiscal year shall be used by the State educational agency to supplement and, to the extent practical, to increase the level of funds that would, in the absence of such funds, be made available by the State for the purposes described in this section, and in no case to supplant such funds.

SEC. 7033. PROGRAM EVALUATION REQUIREMENTS.

The Secretary shall issue, within 6 months of the date of enactment of this section, regulations which set forth a comprehensive design for evaluating the programs assisted under part A of this title. Such regulations shall be developed by the Director, and shall provide for the collection of information and data including—

(1) the educational background, needs, and competencies of the limited English proficient persons served by the program;

(2) the specific educational activities undertaken pursuant to the program; the pedagogical materials, methods, and techniques utilized in the program; and with respect to classroom activities, the relative amount of instructional time spent with students on specified tasks;

(3) the educational and professional qualifications, including language competencies, of the staff responsible for planning and operating the program; and

(4) the extent of educational progress achieved through the program measured, as appropriate, by (A) tests of academic achievement in English language arts, and where appropriate, second language arts; (B) tests of academic achievement in subject matter areas; and (C) changes in the rate of student grade-retention, dropout, absenteeism, referral to or placement in special education classes, placement in programs for the gifted and talented, and enrollment in postsecondary education institutions.

SEC. 7034. EVALUATION ASSISTANCE CENTERS.

The Secretary shall establish, through competitive grants to institutions of higher education, at least two evaluation assistance centers. Such centers shall provide, upon the request of State or local educational agencies, technical assistance regarding methods and techniques for identifying the educational needs and competencies of limited English proficient persons and assessing the educational progress achieved through programs such as those assisted under this title. Grants made pursuant to this section shall be for a period of 3 years.

SEC. 7035. RESEARCH.

(a) GENERAL AUTHORITY.—The Secretary shall, through competitive contracts under this section, provide financial assistance for research and development proposals submitted by institutions of higher education, private for-profit and nonprofit organizations, State and local educational agencies, and individuals.

(b) ACTIVITIES AUTHORIZED.—Research activities authorized to be assisted under this section shall include—

(1) studies to determine and evaluate effective models for bilingual education programs;

(2) studies which examine the process by which individuals acquire a second language and master the subject matter skills required for grade-promotion and graduation, and which identify effective methods for teaching English and subject matter skills within the context of a bilingual education program or special alternative instructional program to students who have language proficiencies other than English;

(3) longitudinal studies to measure the effect of this title on the education of students who have language proficiencies other than English, and the effect of this title on the capacity of local educational agencies to operate bilingual programs following the termination of assistance under this title;

(4) studies to determine effective and reliable methods for identifying students who are entitled to services under this title and for determining when their English language proficiency is sufficiently well developed to permit them to derive optimal benefits from an all-English instructional program;

(5) the operation of a clearinghouse which shall collect, analyze, and disseminate information about bilingual education and related programs;

(6) studies to determine effective methods of teaching English to adults who have language proficiencies other than English;

(7) studies to determine and evaluate effective methods of instruction for bilingual programs, taking into account language and cultural differences among students;

(8) studies to determine effective approaches to preservice and inservice training for teachers, taking into account the language and cultural differences of their students;

(9) studies to determine effective and reliable techniques for providing bilingual education to handicapped students; and

(10) studies to determine effective and reliable methods for identifying gifted and talented students who have language proficiencies other than English.

(c) DELEGATION RULE.—In carrying out the responsibilities of this section, the Secretary may delegate authority to the Director, and in any event, shall consult with the Director, representatives of State and local educational agencies, and appropriate groups and organizations involved in bilingual education.

(d) DISSEMINATION RULE.—The Secretary shall publish and disseminate all requests for proposals in research and development assisted under this title.

SEC. 7036. COORDINATION OF RESEARCH.

Notwithstanding section 405(b)(1) of the General Education Provisions Act, the Assistant Secretary for Educational Research and Improvement shall consult with the Director to insure that research activities undertaken pursuant to section 405(b)(2)(C) of the General Education Provisions Act complement and do not duplicate the activities conducted pursuant to this part.

SEC. 7037. EDUCATION STATISTICS.

(a) GENERAL AUTHORITY.—Notwithstanding section 406 of the General Education Provisions Act, the Center for Education Statistics shall collect and publish, as part of its annual report on the condition of education, data for States,

Puerto Rico, and the Trust Territories with respect to the population of limited English proficient persons, the special educational services and programs available to limited English proficient persons, and the availability of educational personnel qualified to provide special educational services and programs to limited English proficient persons.

(b) USE OF AVAILABLE DATA.—In carrying out its responsibilities under this section, the Center for Education Statistics shall utilize, to the extent feasible, data submitted to the Department of Education by State and local educational agencies and institutions of higher education pursuant to the provisions of this title.

PART C—TRAINING AND TECHNICAL ASSISTANCE

SEC. 7041. USE OF FUNDS.

(a) IN GENERAL.—Funds available under this part shall be used for—

(1) the establishment, operation, and improvement of training programs for educational personnel preparing to participate in, or personnel participating in, the conduct of programs of bilingual education or special alternative instructional programs for limited English proficient students, which shall emphasize opportunities for career development, advancement, and lateral mobility, and may provide training to teachers, adminis-

trators, counselors, paraprofessionals, teacher aides, and parents;

(2) the training of persons to teach and counsel such persons;

(3) the encouragement of reform, innovation, and improvement in applicable education curricula in graduate education, in the structure of the academic profession, and in recruitment and retention of higher education and graduate school faculties, as related to bilingual education;

(4) the operation of short-term training institutes designed to improve the skills of participants in programs of bilingual education or special alternative instructional programs for limited English proficient students; which may include summer programs designed to improve the instructional competence of educational personnel in the languages used in the program; and

(5) the provision of inservice training and technical assistance to parents and educational personnel participating in, or preparing to participate in, bilingual education programs or special alternative instructional programs for limited English proficient students.

(b) APPLICATION REQUIRED.—(1) A grant or contract may be made under subsection (a)(1), (a)(2), or (a)(3) of this section upon application of an institution of higher education.

(2) A grant or contract may be made under subsection (a)(4) of this section upon application of (A) institutions of higher education (including junior colleges and community colleges) and private for-profit or nonprofit organizations which apply, after consultation with, or jointly with, one or more local educational agencies or a State educational agency; (B) local educational agencies; or (C) a State educational agency.

(3) A grant or contract may be made under subsection (a)(5) of this section upon application of (A) institutions of higher education (including junior colleges and community colleges), (B) private for-profit or nonprofit organizations, or (C) a State educational agency.

(c) SPECIAL RULE.—An application for a grant or contract for preservice or inservice training activities described in subsection (a)(1) of this section shall be considered an application for a program of bilingual education for the purposes of section 7021(e) of this title.

(d) PREFERENCE.—In making a grant or contract for preservice training programs described in subsection (a)(1) of this section, the Secretary shall give preference to programs which contain coursework in—

(1) teaching English as a second language;

(2) use of a non-English language for instructional purposes;

(3) linguistics; and

(4) evaluation and assessment;

and involving parents in the educational process. Preservice training programs shall be designed to ensure that participants become proficient in English and a second language of instruction.

SEC. 7042. MULTIFUNCTIONAL RESOURCE CENTERS.

(a) CENTERS ESTABLISHED.—Pursuant to subsection (a)(5) of section 7041, the Secretary shall establish, through competitive grants or contracts, at least 16 multifunctional resource centers (hereafter in this section referred to as "centers"). Grants and contracts shall be awarded with consideration given to the geographic and linguistic distribution of children of limited English proficiency.

(b) CENTER FUNCTIONS.—In addition to providing technical assistance and training to persons participating in or preparing to participate in bilingual education programs or special alternative instructional programs for limited English proficient students, each center shall be responsible for gathering and providing information to other centers on a particular area of bilingual education, including (but not limited to) bilingual special education, bilingual education for gifted and talented limited English proficient students, bilingual vocational education, bilingual adult education, bilingual education program administration, literacy, educa-

tion technology in bilingual programs, mathematics and science education in bilingual programs, counseling limited English proficient students, and career education programs for limited English proficient students.

SEC. 7043. FELLOWSHIPS.

(a) GENERAL AUTHORITY.—Pursuant to subsection (a)(2) of section 7041, the Secretary is authorized to award fellowships for advanced study of bilingual education or special alternative instructional programs for limited English proficient students in such areas as teacher training, program administration, research and evaluation, and curriculum development. For the fiscal year ending September 30, 1989, not less than 500 fellowships leading to a graduate degree shall be awarded under the preceding sentence. Such fellowships shall be awarded, to the extent feasible, in proportion to the needs of various groups of individuals with limited English proficiency. In awarding fellowships, the Secretary shall give preference to individuals intending to study bilingual education or special alternative instructional programs for limited English proficient students in the following specialized areas: vocational education, adult education, gifted and talented education, special education, education technology, literacy, and mathematics and science education. The Secretary shall include information on the operation of the fellow-

ship program in the report required under section 7051(c) of this title.

(b) STUDY REQUIRED.—The Secretary shall undertake an on-going longitudinal study of the impact of recipients of such fellowships on the field of bilingual education and alternative instructional programs for students of limited English proficiency and shall, through the clearinghouse established pursuant to section 7035(b)(5) of this title, disseminate research undertaken by recipients of such fellowships.

(c) FELLOWSHIP AGREEMENT.—Any person receiving a fellowship under this section shall agree either to repay such assistance or to work for a period equivalent to the period of time during which such person received assistance, and such work shall be in an activity related to programs and activities such as those authorized under this Act. The Secretary may waive this requirement in extraordinary circumstances.

SEC. 7044. PRIORITY.

In making grants or contracts under this part, the Secretary shall give priority to eligible applicants with demonstrated competence and experience in programs and activities such as those authorized under this Act.

SEC. 7045. STIPENDS.

In the terms of any arrangement described in this part, the Secretary shall provide for the payment, to persons par-

ticipating in training programs so described, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as the Secretary may determine to be consistent with prevailing practices under comparable federally supported programs.

PART D—ADMINISTRATION

SEC. 7051. OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS.

(a) OFFICE ESTABLISHED.—There shall be, in the Department of Education, an Office of Bilingual Education and Minority Languages Affairs (hereafter in this section referred to as the "Office") through which the Secretary shall carry out functions relating to bilingual education.

(b) ORGANIZATION.—(1) The Office shall be headed by a Director of Bilingual Education and Minority Languages Affairs, appointed by the Secretary, to whom the Secretary shall delegate all delegable functions relating to bilingual education. The Director shall also be assigned responsibility for coordinating the bilingual education aspects of other programs administered by the Secretary.

(2) The Office shall be organized as the Director determines to be appropriate in order to enable the Director to carry out such functions and responsibilities effectively, except that there shall be a division, within the Office, which is exclusively responsible for the collection, aggregation, anal-

ysis, and publication of data and information on the operation and effectiveness of programs assisted under this title.

(c) REPORT.—The Secretary shall prepare and, not later than February 1 of 1992, shall submit to the Congress and the President a report on the condition of bilingual education in the Nation and the administration and operation of this title and of other programs for persons of limited English proficiency. Such report shall include—

(1) a national assessment of the educational needs of children and other persons with limited English proficiency and of the extent to which such needs are being met from Federal, State, and local efforts;

(2) a plan, including cost estimates, for extending programs of bilingual education and bilingual vocational and adult education programs to all such preschool and elementary school children and other persons of limited English proficiency, including a phased plan for the training of the necessary teachers and other educational personnel necessary for such purpose;

(3) a report on and evaluation of the activities carried out under this title and the extent to which each of such activities achieves the policy set forth in section 7002(a);

(4) a statement of the activities intended to be carried out during the succeeding period, including an estimate of the cost of such activities;

(5)(A) an assessment of the number of teachers and other educational personnel needed to carry out programs of bilingual education under this title and those carried out under other programs for persons of limited English proficiency;

(B) a statement describing the activities carried out thereunder designed to prepare teachers and other educational personnel for such programs; and

(C) the number of other educational personnel needed to carry out programs of bilingual education in the States; and

(6) an estimate of the number of fellowships in the field of training teachers for bilingual education which will be necessary.

(d) COORDINATION.—In order to maximize Federal efforts designed to serve the educational needs of children of limited English proficiency, the Secretary shall coordinate and closely cooperate with other programs administered by the Department of Education, including such areas as teacher training, program content, research, and curriculum. The Secretary's report under subsection (c) shall include demonstration that such coordination has taken place.

(e) STAFF.—The Secretary shall ensure that the Office of Bilingual Education and Minority Languages Affairs is staffed with sufficient personnel trained, or with experience in, bilingual education to discharge effectively the provisions of this title.

TITLE VIII—DEMONSTRATION PROJECTS DESIGNED TO ADDRESS SCHOOL DROPOUT PROBLEMS AND TO STRENGTHEN BASIC SKILLS INSTRUCTION

PART A—ASSISTANCE TO ADDRESS SCHOOL DROPOUT PROBLEMS

SEC. 8001. SHORT TITLE.

This part may be cited as the "School Dropout Demonstration Assistance Act of 1987".

SEC. 8002. PURPOSE.

The purpose of this part is to reduce the number of children who do not complete their elementary and secondary education by providing grants to local educational agencies to establish and demonstrate—

(1) effective programs to identify potential student dropouts and prevent them from dropping out;

(2) effective programs to identify and encourage children who have already dropped out to reenter school

and complete their elementary and secondary education;

(3) effective programs for early intervention designed to identify at-risk students in elementary and early secondary schools; and

(4) model systems for collecting and reporting information to local school officials on the number, ages, and grade levels of the children not completing their elementary and secondary education and the reasons why such children have dropped out of school.

SEC. 8003. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part $50,000,000 for each of the fiscal years 1988 and 1989.

SEC. 8004. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

(a) ALLOTMENT TO CATEGORIES OF LOCAL EDUCATIONAL AGENCIES.—From the amount appropriated under section 8003 for any fiscal year, the Secretary shall allot the following percentages to each of the following categories of local educational agencies:

(1) Local educational agencies administering schools with a total enrollment of 50,000 or more elementary and secondary school students shall be allotted 45 percent of the amount appropriated.

(2) Local educational agencies administering schools with a total enrollment of at least 20,000 but

less than 50,000 elementary and secondary school students shall be allotted 15 percent of the amount appropriated.

(3) Local educational agencies administering schools with a total enrollment of less than 20,000 elementary and secondary school students shall be allotted 35 percent of the amount appropriated. Grants may be made under this paragraph to intermediate educational units and consortia of not more than 5 local educational agencies in any case in which the total enrollment of the largest such local educational agency is less than 20,000 elementary and secondary students. Such units and consortia may apply in conjunction with the State educational agency. Not less than 20 percent of funds available under this paragraph shall be awarded to local educational agencies administering schools with a total enrollment of less than 2,000 elementary and secondary school students.

(4) Community-based organizations shall be allotted 5 percent of the amount appropriated. Grants under this category shall be made after consultation with the local educational agency that is to benefit from such a grant.

(b) SPECIAL TREATMENT OF EDUCATIONAL PARTNERSHIPS.—(1) The Secretary shall allot in each category

described in paragraphs (1), (2), and (3) of subsection (a) of this section 25 percent of the funds available for each such category to educational partnerships.

(2) Educational partnerships under this subsection shall include—

(A) a local educational agency,

(B)(i) a business concern or business organization, or

(ii) a community-based organization, and

(C) one of the following: any nonprofit private organization, institution of higher education, State educational agency, State and local public agencies, private industry councils (established under the Job Training Partnership Act), museum, library, or educational television or broadcasting station, or community-based organization.

(c) AWARD OF GRANT.—From the amount allotted for any fiscal year to a category of local educational agencies under subsection (a), the Secretary shall award as many grants as practicable within each such category to local educational agencies and educational partnerships whose applications have been approved by the Secretary for such fiscal year under section 8005 and whose applications propose a program of sufficient size and scope to be of value as a demonstration. The grants shall be made under such terms and

conditions as the Secretary shall prescribe consistent with the provisions of this part.

(d) USE OF FUNDS WHEN NOT FULLY NEEDED FOR EDUCATIONAL PARTNERSHIPS.—(1) Whenever the Secretary determines that the full amount of the sums made available under subsection (b) of this section in each category for educational partnerships will not be required for applications of educational partnerships, the Secretary may make the amount not so required available to local educational agencies in the same category in which the funds are made available.

(2) Whenever the Secretary transfers amounts under the provisions of this subsection, the Secretary shall use a peer review process and shall prepare and make available to local educational agencies, upon request, the availability of funds in the same category, and the reasons therefor.

(e) USE OF FUNDS WHEN NOT FULLY ALLOTTED TO CATEGORIES UNDER SUBSECTION (a) OF THIS SECTION.—(1) Whenever the Secretary determines that the full amount of the sums allotted under any category set forth under subsection (a) of this section will not be required for applications of the local educational agencies in the case of categories (1) through (3), the Secretary may make the amount not so required available to another category under such subsection (a). In carrying out the provisions of this

subsection, the Secretary shall assure that the transfer of amounts from one category to another is made to a category in which there is the greatest need for funds.

(2) Whenever the Secretary transfers amounts under the provisions of this subsection, the Secretary shall use a peer review process and shall prepare and make available to local educational agencies and educational partnerships, upon request, the categories which were not fully funded under subsection (a) and the reasons therefor.

(f) FEDERAL SHARE.—(1) The Federal share of a grant under this part shall not exceed—

(A) 90 percent of the total cost of a project for the first year for which the project receives assistance under this part, and

(B) 70 percent of such cost for the second such year.

(2) The non-Federal share may be paid from any source other than funds made available under this part, except that not more than 10 percent of the non-Federal share in any fiscal year may be from other Federal sources, other than this part.

(3) The non-Federal share of payments under this part may be in cash or in kind fairly evaluated, including plant equipment or services.

SEC. 8005. APPLICATION.

(a) In General.—(1) A grant under this part may be made only to a local educational agency or an educational partnership which submits an application to the Secretary containing such information as may be required by the Secretary by regulation.

(2) The Secretary shall encourage applicants to make applications for a 2-year period.

(b) Contents of Application.—Each such application shall—

(1) provide documentation of (A) the number of children who were enrolled in the schools of the applicant for the 5 academic years prior to the date application is made who have not completed their elementary or secondary education and who are classified as dropout students pursuant to section 8008(a), and (B) the percentage that such number of children is of the total school-age population in the applicant's schools;

(2) include a plan for the development and implementation of a dropout information collection and reporting system for documenting the extent and nature of the dropout problem;

(3) include a plan for the development and implementation of a project which will include activities designed to carry out the purpose of this part and which may include activities which—

(A) implement identification, prevention, outreach, or reentry projects for dropouts and potential dropouts,

(B) address the special needs of school-age parents,

(C) disseminate information to students, parents, and the community related to the dropout problem,

(D) include coordinated activities involving at least one high school and its feeder junior or middle schools and elementary schools for those local educational agencies having such feeder systems,

(E) as appropriate, include coordinated services and activities with programs of vocational education, adult basic education, and programs under the Job Training Partnership Act,

(F) involve the use of educational and telecommunications and broadcasting technologies and educational materials for dropout prevention, outreach, and reentry,

(G) provide activities which focus on developing occupational competencies which link job skill preparation and training with genuine job opportunities,

(H) establish annual procedures for (i) evaluating the effectiveness of the project, and (ii) where possible, determining the cost-effectiveness of the particular dropout prevention and reentry methods used and the potential for reproducing such methods in other areas of the country,

(I) coordinate, to the extent practicable, with other student dropout activities in the community, or

(J) use the resources of the community and parents to help develop and implement solutions to the local dropout problem; and

(4) contain such other information as the Secretary considers necessary to determine the nature of the local needs, the quality of the proposed project, and the capability of the applicant to carry out the project.

(c) PRIORITY; SPECIAL CONSIDERATIONS.—(1) The Secretary shall, in approving applications under this section, give priority to—

(A) applications which show the replication of successful programs conducted in other local educational agencies or the expansion of successful programs within a local educational agency; and

(B) applications which reflect very high numbers or very high percentages of school dropouts in the

schools of the applicant in each category described in section 8004(a).

(2) The Secretary shall, in approving applications under this section, give special consideration to—

(A) applications which contain provisions which emphasize early intervention designed to identify at-risk students in elementary or early secondary schools; and

(B) applications which contain provisions for significant parental involvement in the design and conduct of the program for which assistance is sought.

(d) REVIEW OF PROJECTS.—In any application from a local educational agency for a grant to continue a project for the second fiscal year following the first fiscal year in which a grant was awarded to such local educational agency, the Secretary shall review the progress being made toward meeting the objectives of the project. The Secretary may refuse to award a grant if the Secretary finds that sufficient progress has not been made toward meeting such objectives, but only after affording the applicant notice and an opportunity for a hearing.

SEC. 8006. AUTHORIZED ACTIVITIES.

(a) GENERAL.—Grants under this part shall be used to carry out plans set forth in applications approved under section 8005. In addition, grants may be used for educational,

occupational, and basic skills testing services and activities, including, but not limited to—

(1) the establishment of systemwide or school-level policies, procedures, and plans for dropout prevention and school reentry;

(2) the development and implementation of activities, including extended day or summer programs, designed to address poor achievement, basic skills deficiencies, language deficiencies, or course failures, in order to assist students at risk of dropping out of school and students reentering school;

(3) the establishment or expansion of work-study, apprentice, or internship programs;

(4) the use of resources of the community, including contracting with public or private entities or community-based organizations of demonstrated performance, to provide services to the grant recipient or the target population;

(5) the evaluation and revision of program placement of students at risk;

(6) the evaluation of program effectiveness of dropout programs;

(7) the development and implementation of programs for traditionally underserved groups of students;

(8) the implementation of activities which will improve student motivation and the school learning environment;

(9) the provision of training for school staff on strategies and techniques designed to—

(A) identify children at risk of dropping out,

(B) intervene in the instructional program with support and remedial services,

(C) develop realistic expectations for student performance, and

(D) improve student-staff interactions;

(10) the study of the relationship between drugs and dropouts and between youth gangs and dropouts, and the coordination of dropout prevention and reentry programs with appropriate drug prevention and youth gang prevention community organizations;

(11) the study of the relationship between handicapping conditions and student dropouts;

(12) the study of the relationship between the ratio of dropouts among gifted and talented students compared to the ratio of dropouts among the general student enrollment;

(13) the use of educational telecommunications and broadcasting technologies and educational materials designed to extend, motivate, and reinforce school,

community, and home dropout prevention and reentry activities; and

(14) the provision of other educational, occupational and testing services and activities which directly relate to the purpose of this part.

(b) ACTIVITIES FOR EDUCATIONAL PARTNERSHIPS.*—Grants under this part may be used by educational partnerships for—*

(1) activities which offer jobs and college admissions for successful completion for the program for which assistance is sought;

(2) internship, work study or apprenticeship programs;

(3) summer employment programs;

(4) occupational training programs;

(5) career opportunity and skills counseling;

(6) job placement services;

(7) the development of skill employment competency testing programs;

(8) special school staff training projects; and

(9) any other activity described in subsection (a).

SEC. 8007. DISTRIBUTION OF ASSISTANCE; LIMITATION ON COSTS.

(a) DISTRIBUTION OF ASSISTANCE.—The Secretary shall assure that, to the extent practicable, in approving grant applications under this part—

(1) grants are equitably distributed on a geographic basis within each category set forth in section 8004(a);

(2) not less than 30 percent of the amount available for grants in each fiscal year be used for activities relating to dropout prevention; and

(3) not less than 30 percent of the amount available for grants in each fiscal year be used for activities relating to persuading dropouts to return to school and assisting former dropouts with specialized services once they return to school.

(b) ADMINISTRATIVE COSTS.—Not more than 10 percent of any grant may be used for administrative costs.

SEC. 8008. NATIONAL SCHOOL DROPOUT STUDY.

(a) IN GENERAL.—From amounts appropriated under this title to the Secretary for fiscal year 1989, the Secretary shall use not more than $500,000 to conduct a 1-year study of the nature and extent of the student dropout problem in the United States. The Secretary shall conduct the study required by this section through the Office of Education Research and Improvement.

(b) COMPONENTS OF STUDY.—In conducting the study, the Secretary shall—

(1) examine the standard definition of a school dropout established under this title;

(2) develop a standard list of reasons why children are dropping out of school, including major factors that contribute to children dropping out;

(3) develop a model dropout information collection and reporting system;

(4) develop minimum reporting system requirements;

(5) identify the numbers of children and the general reasons for their dropping out of school among population groups with particularly high dropout rates, including (A) children and youth with handicapping conditions and their reasons for dropping out and (B) gifted and talented students and their reasons for dropping out;

(6) identify the characteristics of children who appear to be at risk of dropping out of school;

(7) identify and evaluate successful programs and educational partnership and include recommendations for replication and implementation in other school districts of local educational agencies;

(8) determine to what extent a causal relationship exists between the inability of children to read adequately and their dropping out of school;

(9) identify the factors or policies which may attract children who have dropped out to reenter school and complete their elementary and secondary education; and

(10) provide recommendations for activities and policies which can be implemented at each level of government and in communities to ameliorate the dropout problem.

(b) OTHER REQUIREMENTS.—Recipients of grants under this title shall cooperate with the Secretary in carrying out the study under subsection (a) by providing data and information on the nature and extent of the student dropout problem and the effectiveness of techniques used to address the problem.

PART B—ASSISTANCE TO PROVIDE BASIC SKILLS IMPROVEMENT

SEC. 8101. SHORT TITLE.

This part may be cited as the "Basic Skills Demonstration Assistance Act of 1987".

SEC. 8102. PURPOSE.

It is the purpose of this part to provide assistance to local educational agencies with high concentrations of low-

income children to improve the achievement of educationally disadvantaged children enrolled in the secondary schools of such agencies.

SEC. 8103. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part $200,000,000 for the fiscal year 1988 and $200,000,000 for the fiscal year 1989.

SEC. 8104. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

(a) GENERAL AUTHORITY.—From the amount appropriated under section 8103 for any fiscal year the Secretary shall make grants to local educational agencies in accordance with the provisions of this part.

(b) COMMUNITY-BASED ORGANIZATIONS RULE.—Each local educational agency may carry out the activities described in section 8105 in cooperation with community-based organizations.

(c) ELIGIBLE STUDENTS.—Secondary school students who meet the requirements of part A of chapter 1 of title I of this Act shall be eligible to participate in programs and activities assisted under this part.

SEC. 8105. AUTHORIZED ACTIVITIES.

(a) IN GENERAL.—Funds made available under this part shall be used—

(1) to initiate or expand programs to meet the special educational needs of secondary school students and

to help such students attain grade level proficiency in basic skills;

(2) to develop remedial programs specifically tailored to the needs of secondary school students;

(3) to develop and implement remedial activities to address the problems of poor achievement and course failure among eligible children;

(4) to develop innovative approaches for surmounting barriers that make secondary school programs under this part difficult for certain students to attend and to administer, such as scheduling problems, courses leading to a general education diploma, and graduation requirements;

(5) to develop and implement innovative programs involving community-based organizations and/or the private sector to provide motivational activities, pre-employment training, or transition-to-work activities;

(6) provide programs for eligible students outside the school, with the goal of reaching dropouts who will not reenter the traditional school, for the purpose of providing remedial education, basic skills education, or courses for general educational development;

(7) to use the resources of the community to assist in providing services to the target population;

(8) to provide training for staff who will work with the target population on strategies and techniques for identifying, instructing, and assisting such students;

(9) to provide guidance and counseling, support services, exploration of postsecondary educational opportunities, youth employment activities, and other pupil services which are necessary to assist eligible students; and

(10) to recruit, train, and supervise secondary school students (including the provision of stipends to low-income students) to serve as tutors of other students eligible for services under this part and under part A, in order to assist such eligible students with homework assignments, provide instructional activities, and foster good study habits and improved achievement.

(b) LIMITATION.—Not more than 25 percent of amounts available may be used by a local educational agency for noninstructional services.

SEC. 8106. APPLICATION.

(a) IN GENERAL.—(1) A grant under this part may be made only to a local educational agency which submits an application to the Secretary containing or accompanied by such information as the Secretary may reasonably require.

(2) The Secretary shall encourage applicants to make applications for a 2-year period.

(b) CONTENTS OF APPLICATION.—Each such application shall include—

(1) a description of the program goals and the manner in which funds will be used to initiate or expand services to secondary school students;

(2) a description of the activities and services which will be provided by the program (including documentation to demonstrate that the local educational agency has the qualified personnel required to develop, administer, and implement the program under this part);

(3) a list of the secondary schools within the local educational agency in which programs will be conducted and a description of the needs of the schools, in terms of achievement levels of students, and poverty rates;

(4) an assurance that programs will be operated in secondary schools with the greatest need for assistance, in terms of achievement levels, and poverty rates;

(5) an assurance that parents of eligible students will be involved in the development and implementation of programs under this part;

(6) a statement of the methods which will be used—

(A) to ensure that the programs will serve eligible students most in need of the activities and services provided by this part; and

(B) an assurance that services will be provided under this part to special populations, such as individuals with limited English proficiency and individuals with handicaps;

(7) an assurance that the program will be of sufficient size, scope, and quality to offer reasonable promise of success;

(8) a description of the manner in which the agency will provide for equitable participation of private school students as provided under section 1017;

(9) a description of the methods by which the applicant will coordinate programs under this part with programs for the eligible student population operated by community-based organizations, social service organizations and agencies, private sector entities, and other agencies, organizations, and institutions, and with programs conducted under the Carl D. Perkins Vocational Education Act, the Job Training Partnership Act, and other relevant Acts; and

(10) such other information as the State educational agency may require to determine the nature and quality of the proposed project and the applicant's ability to carry out the project.

(c) APPROVAL OF APPLICATIONS.—The Secretary shall, in approving applications under this section, give special consideration to programs that—

(1) demonstrate the greatest need for services assisted under this part based on their numbers of low-income children and numbers of low-achieving children;

(2) are representative of urban and rural regions in the United States; and

(3) offer innovative approaches to the achievement among eligible secondary school children and offer approaches which show promise for replication and dissemination.

(d) ADMINISTRATIVE COSTS.—Not more than 10 percent of any grant under this part may be used for administrative costs.

PART C—GENERAL PROVISIONS

SEC. 8201. GENERAL PROVISIONS.

(a) DEFINITION OF SCHOOL DROPOUT.—The Secretary shall by regulation, not later than 60 days after the date

of enactment of this Act, establish a standard definition of a school dropout.

(b) TIMELY AWARD OF GRANTS.—To the extent possible, for any fiscal year the Secretary shall award grants to local educational agencies and educational partnerships under this title not later than July 1 preceding such fiscal year.

(c) GRANTS MUST SUPPLEMENT OTHER FUNDS.—A local educational agency receiving funds under this title shall use the Federal funds only to supplement the funds that would, in the absence of such Federal funds, be made available from non-Federal sources for activities described in part A or part B of this title, as the case may be.

(d) COORDINATION AND DISSEMINATION.—The Secretary shall require local educational agencies receiving grants under this title to cooperate with the coordination and dissemination efforts of the National Diffusion Network and State educational agencies.

(e) AUDIT.—The Comptroller General shall have access for the purpose of audit and examination to any books, documents, papers, and records of any local educational agency or educational partnership receiving assistance under this title that are pertinent to the sums received and disbursed under this part.

(f) WITHHOLDING PAYMENTS.—Whenever the Secretary, after reasonable notice and opportunity for a hearing to any local educational agency or educational partnership, finds that the local educational agency has failed to comply substantially with the provisions set forth in its application approved under section 8005 or section 8106, the Secretary shall withhold payments under this part in accordance with section 453 of the General Education Provisions Act until the Secretary is satisfied that there is no longer any failure to comply.

SEC. 8202. DEFINITIONS.

As used in this title, the term "community-based organization" means a private nonprofit organization which is representative of a community or significant segments of a community and which provides educational or related services to individuals in the community.

TITLE IX—EDUCATIONAL ASSESSMENT AND ACHIEVEMENT

PART A—NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

SEC. 9001. SHORT TITLE.

This part may be cited as the "National Assessment of Educational Progress Improvement Act".

SEC. 9002. STATEMENT OF PURPOSE.

The purpose of this part is to improve the effectiveness of our Nation's schools by making objective information about student performance in an expanded variety of learning areas available to policymakers at the national, regional, State, and local levels. To enhance its utility, such information shall be both representative and comparable and shall be maintained in a manner that ensures the privacy of individual students and their families. It is not the purpose of this Act to authorize the collection or reporting of information on student attitudes or beliefs or on other matters that are not germane to the acquisition and analysis of information about academic achievement.

SEC. 9003. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS.

(a) GENERAL AUTHORITY.—Section 406 of the General Education Provisions Act (hereafter in this part referred to as "the Act") is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following:

"(h)(1) With the advice of the National Assessment Governing Board established by paragraph (5)(a)(i), the Secretary shall carry out, by grant, contract, or cooperative agreement with qualified organizations, or consortia thereof, a National Assessment of Educational Progress. The purpose of the National Assessment is the assessment of the perform-

ance of children and young adults in the basic skills of reading, mathematics, science, writing, history, geography, and civics.

"(2)(A) The National Assessment shall provide a fair and accurate presentation of educational achievement in skills, abilities, and knowledge in reading, writing, mathematics, science, history, geography, and civics, and shall use sampling techniques that produce data that are representative on a national, regional and State basis. In addition, the National Assessment shall—

"(i) collect and report data on a periodic basis, at least once every two years for reading and mathematics; at least once every four years for writing and science; and at least once every six years for history, geography, and civics;

"(ii) collect and report data every two years on students at ages nine, thirteen, and seventeen and in grades four, eight, and twelve;

"(iii) report achievement data on a basis that facilitates valid State-by-State comparisons;

"(iv) include special assessments of achievement in other educational areas as the need arises; and

"(v) include information on special groups.

"(B) In carrying out the provisions of subparagraph (A), the Secretary and the Board appointed under paragraph

(5) shall assure that at least one of the subject matters in each of the four and six year cycles described in subparagraph (A)(i) will be included in each two year cycle Assessment.

"(C)(i) The National Assessment shall include an assessment of literacy of a nationally representative sample of out of school 17-year-olds and adults based upon a uniform standard of literacy achievement.

"(ii) The Secretary and the Board established under paragraph (5) in consultation with publishers of instructional material and others with expertise in the field of literacy shall assure that a uniform standard of literacy achievement is developed.

"(3)(A) The National Assessment shall not collect any data that are not directly related to the appraisal of educational performance and achievement or the fair and accurate presentation of such information.

"(B) The National Assessment shall provide technical assistance to States, localities, and other parties that desire to expand the assessment to yield additional information described in paragraph (2)(A).

"(4)(A) Except as provided in subparagraph (B), the public shall have access to all data, questions, and test instruments of the National Assessment.

"(B)(i) The Secretary shall ensure that all personally identifiable information about students, their educational performance, and their families and that information with respect to individual schools remain confidential, in accordance with section 552a of title 5, United States Code.

"(ii) Notwithstanding any other provision of the law, the Secretary may decline to make available to the public cognitive questions that the Secretary intends to reuse in the future.

"(5)(A)(i) There is established the National Assessment Governing Board (hereafter in this section referred to as the 'Board').

"(ii) The Board shall design and supervise the conduct of the National Assessment.

"(B) The Board shall be appointed by the Secretary in accordance with this subparagraph and subparagraphs (C), (D), and (E). The Board shall be composed of—

"(i) two Governors or former Governors, who shall not be members of the same political party;

"(ii) two State legislators, who shall not be members of the same political party;

"(iii) two chief State school officers;

"(iv) one superintendent of a local educational agency;

"(v) one member of a State board of education;

"(vi) one member of a local board of education;

"(vii) two classroom teachers;

"(viii) one representative of business or industry;

"(ix) one curriculum planner or supervisor or testing and measurement expert;

"(x) one nonpublic school administrator or policymaker;

"(xi) two school principals;

"(xii) one education researcher; and

"(xiii) three additional members, who are representative of the general public, including parents.

The Assistant Secretary for Educational Research and Improvement shall serve as an ex officio member of the Board as a nonvoting member.

"(C)(i) The Secretary and the Board shall ensure at all times that the membership of the Board is balanced fairly in terms of geographical distribution and the points of view represented and that it exercises its independent judgment, free from inappropriate influences and special interests.

"(ii) In the exercise of its functions, powers, and duties, the Board shall be independent of the Secretary and the other offices and officers of the Department of Education.

"(D)(i) The members of the Assessment Policy Committee, serving on the date of enactment of the National Assessment of Educational Progress Improvement Act, shall

become members of the Board for the remainder of the terms of the appointment to the Assessment Policy Committee.

"(ii) To complete the initial membership of the Board, the Secretary shall appoint members of the Board as necessary in the categories described in subparagraph (B) for which there are no members serving on the Assessment Policy Committee on the date of enactment of the National Assessment of Educational Progress Improvement Act. The Secretary shall appoint such members from among nominees furnished by the Governors, chief State school officers, education associations and organizations, the National Academy of Sciences, parent organizations, learned societies, and other interested parties.

"(iii) As vacancies occur, new members of the Board shall be appointed by the Secretary from among individuals who are nominated by the Board. For each vacancy the Board shall nominate at least 3 individuals who, by reason of experience or training, are qualified in that particular Board vacancy.

"(E) Members of the Board appointed in accordance with this paragraph shall serve for terms not to exceed 4 years which shall be staggered, as determined by the Secretary, subject to the provisions of subparagraph (D)(i). Any appointed member of the Board who changes status under subparagraph (B) during the term of the appointment of the

member may continue to serve as a member until the expiration of that term.

"(6)(A) In carrying out its functions under this subsection, the Board shall—

"(i) select subject areas to be assessed (consistent with paragraph (2)(A));

"(ii) identify feasible achievement goals for each age and grade in each subject area to be tested under the National Assessment;

"(iii) develop assessment objectives;

"(iv) develop test specifications;

"(v) design the methodology of the assessment;

"(vi) develop guidelines and standards for analysis plans and for reporting and disseminating results;

"(vii) develop standards and procedures for interstate, regional and national comparisons; and

"(viii) take appropriate actions needed to improve the form and use of the National Assessment.

"(B) The Board shall have final authority on the appropriateness of cognitive items.

"(C) Any activity of the Board or of the organization described in paragraph (1), shall be subject to the provisions of this subsection.

"(7)(A) Not to exceed 10 per centum of the funds available for this subsection may be used for administrative ex-

penses and for expenses to carry out the functions of the Board described in paragraph (6)(A).

"(B) The Board shall be considered an advisory committee for the purpose of the Federal Advisory Committee Act.

"(8)(A) Participation in the National and Regional Assessments by State and local educational agencies shall be voluntary.

"(B) Participation in assessments made on a State basis shall be voluntary. The Secretary shall enter into an agreement with any State which desires to carry out an assessment for the State under this subsection. Each such agreement shall contain provisions designed to assure—

"(i) that the State will participate in the assessment; and

"(ii) will pay from non-Federal sources or from funds paid to the State under chapter 2 of title I of this Act the non-Federal share of participation.

"(C)(i) For each fiscal year, the Federal share for the purpose of clause (ii) of subparagraph (B) shall be the cost of conducting the assessment in the State minus the cost of administering the assessment at the school level for all schools in the State sample.

"(ii) The non-Federal share of payments under this paragraph may be in cash or in kind.

"(9)(A) The Secretary shall provide for a periodic review of the National Assessment. The review shall provide an opportunity for public comment on the conduct and usefulness of the National Assessment and shall result in a report to the Congress, the President, and the Nation on the findings and recommendations, if any, of the review. The Secretary shall consider the findings and recommendations in designing the competition to select the organization through which the Office carries out the National Assessment.

"(B) The Secretary shall, not later than 6 months after the date of enactment of the National Assessment of Educational Progress Improvement Act, publish a report setting forth plans for the collection of State representative data for the 1990 assessment and plans for expanding the subjects tested to include reading, writing, science, history, geography and civics, in the 1992 and later assessments. The report shall include methods by which the results of the National Assessment of Educational Progress may be reported so that the results are more readily available and more easily understood by educators, policymakers, and the general public. The report shall be developed after consultation with educators, State education officials, members of the Board appointed under paragraph (2), and the general public.

"(C) The report required by this paragraph shall be submitted to the Congress and made available to the public. The Secretary shall take such actions as may be appropriate to carry out the recommendations contained in the report.".

(b) AUTHORIZATION OF APPROPRIATIONS.—(1) Section 405 of the Act is amended by striking out subsection (e) and by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(2) Section 405(e)(1) of the Act (as redesignated by paragraph (1)) is amended by striking out "for each of the four succeeding fiscal years" and inserting in lieu thereof "for each of the fiscal years ending prior to October 1, 1993".

(c) RESERVATION OF FUNDS FOR ASSESSMENTS.—(1) Section 405(f)(1)(D) of the Act (as redesignated by paragraph (1)) is amended by striking out "$4,000,000 shall be available in each fiscal year to carry out subsection (e) of this section" and inserting in lieu thereof the following: "$11,500,000 for the fiscal year 1989, $17,700,000 for the fiscal year 1990, $17,900,000 for the fiscal year 1991, $19,600,000 for the fiscal year 1992, and for the succeeding fiscal year, shall be available to carry out section 406(h) of this Act".

(2) Section 405(f)(1)(E) of the Act (as redesignated by paragraph (1)) is amended by inserting a comma and "except for subsection (h) of that section," immediately after "Act".

PART B—FUND FOR THE IMPROVEMENT AND REFORM OF SCHOOLS AND TEACHING

SEC. 9301. SHORT TITLE.

This part may be cited as the "Fund for the Improvement and Reform of Schools and Teaching Act".

SEC. 9302. FUND FOR THE IMPROVEMENT AND REFORM OF SCHOOLS AND TEACHING.

(a) ESTABLISHMENT OF FUND.—There is established a Fund for the Improvement and Reform of Schools and Teaching.

(b) GENERAL AUTHORITY.—The Fund is authorized to make grants to, and enter into contracts with, State educational agencies, local educational agencies, institutions of higher education, nonprofit organizations, individual schools, consortia of such schools, and consortia of such schools and institutions, to improve educational opportunities for and the performance of elementary and secondary school students and teachers by—

(1) helping educationally disadvantaged or at risk children meet higher educational standards;

(2) providing incentives for improved performance;

(3) strengthening school leadership and teaching;

(4) promoting closer ties among school teachers, administrators, families and the local community;

(5) providing opportunities for teacher enrichment and other means to improve the professional status of teachers;

(6) encouraging projects that reallocate existing resources (both human and financial) to serve children better by refocusing priorities;

(7) allowing local schools to establish closer ties with an institution of higher education to increase educational achievement;

(8) increasing the number and quality of minority teachers;

(9) providing entry-year assistance to new teachers and administrators; and

(10) improving the teacher certification process, especially in schools, school districts, or States facing serious shortages.

(c) PRIORITY RULE.—The Board shall give priority to proposed projects that—

(1) will benefit students or schools with below average academic performance; and

(2) develop or implement systems for providing incentives to schools, administrators, teachers, students,

or others to make measurable progress toward specific goals of improved educational performance.

SEC. 9303. APPLICATIONS.

(a) CONTENTS OF APPLICATIONS.—(1)(A) Each applicant shall, if relevant, contain a description of the incentive system, including specific goals and timetables for progress toward such goals.

(B) For the purpose of this section, incentives may include financial rewards, regulatory waivers, open enrollment among schools, grants to schools for innovative projects, or other rewards for meeting specific goals.

(C) For the purpose of this section, the goals described in subparagraph (A) may include increased graduation rate, reduced dropout rate, increased attendance rates, increased student achievement, reduced rate of incidents of juvenile delinquency or vandalism, or other goals of educational improvement.

(2)(A) Each teacher and administrator desiring to receive a grant at the school level shall submit an application for school level projects involving an individual school or a consortia of schools. Each application shall contain assurances that the project will be carried out under the responsibility of a full-time teacher or school administrator.

(B) Each such application shall be reviewed by the appropriate local educational agency which may offer comments

to the Board. The local education agency shall act as the fiscal agent in administering the school's grant to the school, but funds must be expended at the school level.

(b) STATE EDUCATIONAL AGENCY REVIEW.—Each application for a grant under this section (other than application from a State educational agency) shall be forwarded to the appropriate State education agency for review and comment, if the State education agency requests the opportunity for review. The State education agency must complete its review of the application and comment to the Board within 30 calendar days of receipt.

(c) SPECIAL EVALUATION RULE.—In evaluating an application for a grant or contract under this section, the Board shall consider the extent to which the proposed project is likely to improve teaching and learning at the school level.

SEC. 9304. SPECIAL GRANT RULES.

(a) GRANT CONDITIONS.—(1) Federal funds paid under this part shall supplement, not supplant, other resources available to the grantee.

(2) Financial assistance made under this part is not intended to be used for the acquisition of capital equipment as a primary purpose.

(b) DISTRIBUTION OF FUNDS.—(1) At least 25 percent of the funds appropriated for the Fund in any fiscal year

shall be used for grants to applicants described in subsection (c)(2).

(2) Financial assistance paid under this part to a single grantee may not be less than $5,000 nor more than $125,000 in any fiscal year.

SEC. 9305. ADMINISTRATIVE PROVISIONS.

(a) Fund for the Improvement and Reform of Schools and Teaching Board Established.—(1) There is established the Fund Board.

(2) The Board shall be responsible for setting priorities for the Fund and approving projects to be assisted under this part.

(3)(A) The Board shall be composed of 15 members and the Secretary. Appointed members of the Board shall be appointed from among individuals who have extensive backgrounds in the field of education and shall represent a broad range of viewpoints and experience.

(B)(i) The term of office of each member of the Board shall be 3 years, except that, subject to the provisions of paragraphs (4) and (5), the members first taking office shall serve as designated by the Secretary, one-third of the members for terms of 1 year, one-third of the members for terms of 2 years, and one-third of the members for terms of 3 years;

(ii) Any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was

appointed. No Board member may serve more than 2 consecutive terms.

(4) The initial membership of the Board shall be appointed by the Secretary.

(5) As vacancies occur, new members of the Board shall be appointed by the Secretary from among individuals who are nominated by the Board. The Board shall nominate at least 3 individuals for each vacancy.

(6) The Board shall elect a chairman and vice-chairman from among its membership.

(7) The Board shall meet at least 3 times each year. A meeting shall also be held whenever one-third of the Board members request in writing that a meeting be held. A majority of the Board shall constitute a quorum.

(b) DIRECTOR OF THE BOARD.—(1) The Secretary shall appoint a Director of the Fund to serve a 4-year term. No individual may serve as Executive Director for more than 8 years.

(2) The Director shall advise the Board about developments in education that merit the attention of the Board, identify promising initiatives, coordinate the work of the Fund with the work of the Fund for the Improvement of Postsecondary Education, and provide such information and assistance as may be necessary to enable the Board to carry

out its functions. The Director may offer comments to the Board on any application to the Fund.

(3) The Director shall—

(A) advise the Board on priorities for the improvement of education,

(B) design grant competitions,

(C) solicit proposals,

(D) administer grant competitions,

(E) review and prioritize proposals,

(F) monitor funded projects, and

(G) disseminate the results of successful projects.

(c) PRIORITIES RULE.—In January of every calendar year, the Secretary shall advise the Board of the priorities of the Secretary for the improvement of education and their implications for the Fund. The Board shall give careful consideration to the priorities set forth by the Secretary. By December 31 of each calendar year, the Board will provide the Secretary and the Congress with a report describing the recommendations of the Secretary, the priorities the Board has pursued, and a brief summary of the projects the Board has funded, in the calendar year.

(d) REVIEW AND EVALUATION PROCEDURES.—The Director shall establish procedures for reviewing and evaluating grants and contracts made or entered into under this part. The procedures established under this subsection for re-

viewing grant applications or contracts for financial assistance under this Act may not be subject to any review outside of officials responsible for the administration of the Fund.

(e) PROPOSAL REVIEW.—In reviewing proposals, the Board shall consider the need for the proposed project and its plan of operation, educational value, budget and cost effectiveness, plan for evaluation, proposed impact, expected outcomes, potential transferability to other settings, and other factors as appropriate with respect to the goals and priorities of the Fund. The Board shall also consider, to the extent practicable, the geographic distribution of the projects selected for funding. The Board shall take appropriate steps to ensure that new applicants are encouraged to participate in any grant competition sponsored by the Fund for the Improvement and Reform of Schools and Teaching.

(f) PERSONNEL.—The Director may appoint for terms not to exceed 3 years, without regard to the provisions of title 5, of the United States Code governing appointments in the competitive service, not more than 5 technical employees to administer this part who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

SEC. 9306. DISSEMINATION AND REPORTING.

(a) EXEMPLARY PROJECTS.—The Secretary shall take appropriate steps to ensure that exemplary projects that are developed with assistance furnished under this part are made available to institutions of higher education and State and local educational agencies.

(b) REPORT.—The Secretary shall submit a final report to Congress not later than June 1, 1990. The report shall describe the programs assisted by this part, document the success of such programs in improving education, and make such recommendations as the Secretary deems appropriate.

(c) REPORT FOR CONTINUED FUNDING RULE.—As a condition to continue to receive funding after the first year of a multi-year project, the project administrator shall submit an annual report to describe the activities conducted during the preceding year and the progress that has been made toward reaching the goals described in its application, if applicable.

SEC. 9307. COORDINATION WITH THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

In order to facilitate coordination in between the Fund and the Fund for the Improvement of Postsecondary Education, the Director of the Fund shall meet regularly with the Director of the Fund for the Improvement of Postsecondary Education. The Board of the Fund shall meet at least once *each year with the Board of the Fund for the Improvement of Postsecondary Education to discuss priorities and projects to be funded.*

SEC. 9308. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATIONS.—There are authorized to be appropriated $18,000,000 for fiscal year 1989, $18,900,000 for fiscal year 1990, $19,900,000 for fiscal year 1991, $21,000,000 for fiscal year 1992, and $22,000,000 for fiscal year 1993 to carry out this Act.

(b) RESERVATION.—The Secretary shall, from funds appropriated under subsection (a) in each fiscal year, reserve $250,000 for activities authorized by section 9306.

SEC. 9309. DEFINITIONS.

(a) For the purpose of this part—

(1) the term "at risk" means students who, because of learning deficiencies, lack of school readiness, limited English proficiency, poverty, educational or economic disadvantage, or physical or emotional handicapping conditions face greater risk of low educational achievement and have greater potential of becoming school dropouts;

(2) the term "Board" means the Fund Board established under section 9305;

(3) the term "Fund" means the Fund for the Improvement and Reform of Schools and Teaching established under section 9302; and

(4) the term "Secretary" means the Secretary of Education.

PART C—OPTIONAL TESTS FOR ACADEMIC EXCELLENCE

SEC. 9501. OPTIONAL TESTS FOR ACADEMIC EXCELLENCE.

(a) TEST OF ACADEMIC EXCELLENCE AUTHORIZED.—The Secretary is authorized, after consultation with appropriate State and local educational agencies and public and private organizations, to approve comprehensive tests of academic excellence or to develop such a test where commercially unavailable, to be administered to identify outstanding students who are in the eleventh grade of public and private secondary schools.

(b) PREPARATION AND CONDUCT OF TESTS.—(1) The Secretary is authorized to establish a program through arrangements with appropriate State educational agencies, local educational agencies, public and private secondary schools, and public and private organizations throughout the Nation, under which the tests of academic excellence prepared or approved under this part may be given by such agencies or schools, on a voluntary basis, to students described in this section. The tests of academic excellence shall

be tests of acquired skills and knowledge appropriate for the completion of a secondary school education. Such students may file applications for the test at such time and in such manner as the Secretary may prescribe. Upon application by any appropriate agency or school by such time and in such manner as the Secretary may determine, the Secretary shall pay to such agency or school the cost of the administrative expenses it has incurred pursuant to an arrangement made under this section.

(2) The Secretary shall assure that the tests authorized by this part are conducted in a secure manner, and that test items remain confidential so that such items may be used in future tests.

(c) CERTIFICATE.—(1) The Secretary is authorized and directed to prepare a certificate, of such appropriate design as the Secretary shall prescribe, and in such numbers as are necessary, for issuance to students who have scored at a sufficiently high level, as determined by the Secretary, on a test of academic excellence prepared or approved under this subpart and given in accordance with arrangements made under this section. Each such student shall be awarded a certificate within 60 days following the date on which the student was given the test.

(2) Each certificate awarded pursuant to this section shall be signed by the Secretary.

(d) REPORT.—The Secretary shall prepare and submit to the Congress a report on the estimated costs of administering, scoring, and analyzing the tests of academic excellence prepared or approved under this subpart.

SEC. 9502. AVAILABILITY OF FUNDS.

The Secretary shall reserve not less than $2,000,000 in each fiscal year from amounts reserved pursuant to section 405(f)(1)(D) of the General Education Provisions Act to carry out the provisions of this part.

TITLE X—EDUCATION FOR NATIVE HAWAIIANS

SEC. 10001. FINDINGS.

The Congress finds and declares that—

(1) the Federal Government retains the legal responsibility to enforce the administration of the State of Hawaii's public trust responsibility for the betterment of the conditions of Native Hawaiians;

(2) in furtherance of the responsibility for the betterment of the conditions of Native Hawaiians, Congress has the power to specially legislate for the benefit of Native Hawaiians;

(3) the attainment of educational success is critical to the betterment of the conditions of Native Hawaiians;

(4) it is the policy of the Federal Government to encourage the maximum participation of Native Hawaiians in the planning and management of Native Hawaiian Education Programs;

(5) Native Hawaiian students score below national norms on standardized education achievement tests;

(6) both public and private schools show a pattern of low percentages of Native Hawaiian students in the uppermost achievement levels and in gifted and talented programs;

(7) Native Hawaiian students are over-represented among those qualifying for special education programs provided to handicapped students; and

(8) Native Hawaiians are disproportionately represented in many negative social and physical statistics, indicative of special educational needs—

(A) lower educational attainment among Native Hawaiians has been found to relate to lower socioeconomic outcomes;

(B) Native Hawaiian students are disproportionately under-represented in Institutions of Higher Education;

(C) Native Hawaiians are under-represented in both traditional white collar professions, health care professions, and the newly emerging technolo-

gy based professions and are over-represented in service occupations;

(D) Native Hawaiians are beset with multiple health problems;

(E) Native Hawaiian children are disproportionately victimized by child abuse and neglect, a signal of family stress; and

(F) there are and will continue to be geographically rural, isolated areas with a high Native Hawaiian population density.

(9) Special efforts in education recognizing the unique cultural and historical circumstances of Native Hawaiians are required.

SEC. 10002. PURPOSE.

It is the purpose of this Act to—

(1) authorize and develop supplemental educational programs to benefit Native Hawaiians,

(2) provide direction and guidance to appropriate Federal, State, and local agencies to focus resources, including those made available by this Act on the problem of Native Hawaiian education, and

(3) supplement and expand existing programs and authorities in the area of education to further the purposes of this Act.

SEC. 10003. NATIVE HAWAIIAN MODEL CURRICULUM IMPLEMENTATION PROJECT.

(a) CURRICULUM DEVELOPMENT AUTHORITY.—In order to implement the Kamehameha Elementary Education Program (KEEP) model curriculum developed by the Kamehameha Elementary Demonstration School in appropriate public schools, the Secretary shall make direct grants to—

(1) the State of Hawaii (University of Hawaii) for comprehensive teacher training;

(2) the State of Hawaii (Department of Education) for educational support services;

(3) the Kamehameha Schools/Bernice Pauahi Bishop Estate for continued research and development; and

(4) the Kamehameha Schools/Bernice Pauahi Bishop Estate and the State of Hawaii for the establishment of long-term followup and assessment activities.

(b) SPECIAL RULE.—By no later than school year 1992–1993, the Secretary shall assure that the State of Hawaii (Department of Education) has implemented the KEEP model curriculum in a minimum of twenty public schools.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,000,000 for fiscal year 1988, and such sums as may be necessary for fiscal years

1989 through 1993. Of the amounts appropriated, no more than 10 per centum may be used for administrative purposes. Such sums shall remain available until expended.

SEC. 10004. NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.

(a) FAMILY-BASED EDUCATION CENTERS GENERAL AUTHORITY.—The Secretary shall make direct grants to Native Hawaiian Organizations (including Native Hawaiian Educational Organizations) to develop and operate a minimum of eleven Family-Based Education Centers throughout the Hawaiian Islands. Such centers shall include—

(1) Parent-Infant programs (prenatal through age 3);

(2) Preschool programs for four and five year-olds;

(3) continued research and development; and

(4) a long term followup and assessment program.

(b) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized for such centers, there is authorized to be appropriated $2,400,000 for fiscal year 1988, and such sums as may be necessary for fiscal years 1989 through 1993. Of the amounts appropriated, no more than 10 per centum may be used for administrative purposes. Such sums shall remain available until expended.

SEC. 10005. NATIVE HAWAIIAN HIGHER EDUCATION DEMONSTRATION PROGRAM.

(a) HIGHER EDUCATION GENERAL AUTHORITY.—The Secretary shall make grants to the Kamehameha Schools/Bernice Pauahi Bishop Estate for a demonstration program to provide Higher Education fellowship assistance to Native Hawaiian students. The demonstration program under this section may include—

(1) full or partial fellowship support for Native Hawaiian students enrolled at an accredited two or four year degree granting institution of higher education with awards to be based on academic potential and financial need;

(2) counseling and support services for such students receiving fellowship assistance pursuant to subsection (a)(1) of this section;

(3) college preparation and guidance counseling at the secondary school level for students who may be eligible for fellowship assistance pursuant to subsection (a)(1) of this section;

(4) appropriate research and evaluation of the activities authorized by this section; and

(5) implementation of faculty development programs for the improvement and matriculation of Native Hawaiian students.

(b) GRANTS AUTHORIZED.—The Secretary shall make grants to the Kamehameha Schools/Bernice Pauahi Bishop Estate for a demonstration project of fellowship assistance for Native Hawaiian students in post-bachelor degree programs. Such project may include—

(1) full or partial fellowship support for Native Hawaiian students enrolled at an accredited post-bachelor degree granting institution of higher education, with priority given to professions in which Native Hawaiians are under-represented and with awards to be based on academic potential and financial need;

(2) counseling and support services for such students receiving fellowship assistance pursuant to subsection (b)(1) of this section; and

(3) appropriate research and evaluation of the activities authorized by this section.

(c) SPECIAL CONDITION REQUIRED.—For the purpose of subsection (b) fellowship conditions shall be established whereby recipients obtain an enforceable contract obligation to provide their professional services, either during their fellowship or upon completion of post-bachelor degree program, to the Native Hawaiian community within the State of Hawaii.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,250,000 for fiscal year

1988 and for each succeeding fiscal year through 1993 for the purpose of funding the fellowship assistance demonstration project under subsection (a). There is authorized to be appropriated $750,000 for fiscal year 1988 and for each succeeding fiscal year through 1993 for the purpose of funding the fellowship assistance demonstration project provided under subsection (b). Of the amounts appropriated no more than 10 per centum of the funds may be used for administrative purposes. Such sums shall remain available until expended.

SEC. 10006. NATIVE HAWAIIAN GIFTED AND TALENTED DEMONSTRATION PROGRAM.

(a) GIFTED AND TALENTED DEMONSTRATION AUTHORITY.—The Secretary shall establish a Native Hawaiian Gifted and Talented Center at the University of Hawaii at Hilo and shall make grants to, and enter into contracts with, the University of Hawaii at Hilo or the Kamehameha Schools/Bernice Pauahi Bishop Estate for demonstration projects designed to address the special needs of Native Hawaiian elementary and secondary school students who are gifted and talented students and their families. The grantees shall be authorized to subcontract when appropriate, including with the Children's Television Workshop.

(b) USES OF FUNDS.—Demonstration projects funded under this section may include—

(1) the identification of the special needs of gifted and talented students, particularly at the elementary school level, with attention to the emotional and psychosocial needs of these individuals and their families;

(2) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the educational needs of such gifted and talented children, including, but not limited to, demonstrating and exploring the use of the Native Hawaiian language and exposure to Native Hawaiian cultural traditions;

(3) the use of public television in meeting the special educational needs of such gifted and talented children;

(4) leadership programs designed to replicate programs for such children throughout the State of Hawaii and to other Native American peoples, including the dissemination of information derived from the demonstration projects conducted under this section; and

(5) appropriate research, evaluation, and related activities pertaining to the needs of such children and their families.

(c) INFORMATION PROVISION.—The Secretary shall facilitate the establishment of a national network of Native

Hawaiian and American Indian Gifted and Talented Centers, and ensure that the information developed by these centers shall be readily available to the educational community at large.

(d) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized for projects described in this section, there are authorized to be appropriated $1,000,000 for fiscal year 1988 and for each succeeding fiscal year through fiscal year 1993. Such sums shall remain available until expended.

SEC. 10007. NATIVE HAWAIIAN SPECIAL EDUCATION PROGRAM.

(a) SPECIAL EDUCATION AUTHORITY.—The Secretary shall make grants to and enter into contracts with the State of Hawaii, and/or Native Hawaiian Organizations, to operate projects to address the special education needs of Native Hawaiian students. Such projects assisted under this section may include—

(1) the identification of Native Hawaiian children who are handicapped and in need of special education and related services;

(2) the conduct of educational activities consistent with part B of the Education of the Handicapped Act which hold reasonable promise of improving the provision of special education and related services to Native

Hawaiian children who are identified as being handicapped; and

(3) appropriate research, evaluation and related activities pertaining to the needs of such children.

(b) Authorization of Appropriations.—In addition to any other amount authorized for such project, there is authorized to be appropriated $1,500,000 for fiscal year 1988 and for each succeeding fiscal year through 1993. Of the funds appropriated, no more than 10 per centum shall be used for administrative purposes. Such sums shall remain available until expended.

SEC. 10008. ADMINISTRATIVE PROVISIONS.

(a) Application Required.—No grant may be made, nor any contract be entered into under this Act, unless an application is submitted to the Secretary in such form, in such manner, and containing such information as the Secretary may determine necessary to carry out the provisions of this Act.

(b) Special Rule.—Each application shall be accompanied by the comments of each local educational agency serving students who will participate in the project for which assistance is sought.

SEC. 10009. DEFINITIONS.

For purposes of this Act—

(1) the term "Native Hawaiian" means any individual who is—

(A) a citizen of the United States,

(B) a resident of the State of Hawaii, and

(C) a descendant of the aboriginal people, who prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii, as evidenced by—

(i) genealogical records,

(ii) Kupuna (elders) or Kama'aina (long-term community residents) verification, or

(iii) birth records of the State of Hawaii;

(2) the term "Secretary" means the Secretary of Education;

(3) the term "Native Hawaiian Educational Organization" means a private nonprofit organization that—

(A) serves the interests of Native Hawaiians,

(B) has a demonstrated expertise in the education of Native Hawaiian youth, and

(C) has demonstrated expertise in research and program development;

(4) the term "Native Hawaiian Organization" means a private nonprofit organization that—

(A) serves the interests of Native Hawaiians, and

(B) is recognized by the Governor of Hawaii for the purpose of planning, conducting, or administering programs (or portion of programs) for the benefit of Native Hawaiians;

(5) the term "elementary school" has the same meaning given that term under section 1471(7) of this Act;

(6) the term "local educational agency" has the same meaning given that term under section 1471(10) of this Act; and

(7) the term "secondary school" has the same meaning given that term under section 1471(7) of this Act.

TITLE XI—GENERAL PROVISIONS

SEC. 11001. DEFINITIONS.

Except as otherwise provided, for the purpose of this Act the terms used in this Act have the meanings provided under section 1471 of chapter 1 of title I of this Act.

SEC. 11002. BUDGET ACT PROVISION.

Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is *provided under this Act shall be effective for any fiscal year only to the extent and in such amounts as are provided in appropriation Acts.*

SEC. 11003. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as otherwise provided, this Act shall take effect October 1, 1988.

(b) SPECIAL RULES.—The amendments made by section 9003 shall take effect for assessments made after September 30, 1989, with respect to State data.

441

Calendar No. 442

100TH CONGRESS
1ST SESSION

S. 373

[Report No. 100–222]

A BILL

To reauthorize the program of finance assistance to meet special educational needs of disadvantaged children, and to reauthorize chapter 2 of the Education Consolidation and Improvement Act of 1981, through fiscal year 1993.

NOVEMBER 19, 1987

Reported with an amendment

442